NATURAL RESOURCES, PROFIT AND PEACE: MULTINATIONAL CORPORATIONS AND CONFLICT TRANSFORMATION IN THE DEMOCRATIC REPUBLIC OF CONGO

BY

AYO WHETHO
(REGISTRATION NUMBER 205518423)

A THESIS SUBMITTED IN FULFILMENT OF THE REQUIREMENTS FOR THE DEGREE OF DOCTOR OF PHILOSOPHY (PhD) IN THE GRADUATE PROGRAMME IN POLITICAL SCIENCE, UNIVERSITY OF KWAZULU-NATAL, PIETERMARITZBURG, SOUTH AFRICA

SUPERVISOR: PROFESSOR UFO OKEKE UZODIKE

CO-SUPERVISOR: DR ALISON JONES

2014

DECLARATION

I, Ayo Whetho, declare that:

(i) The research reported in this thesis, except where otherwise indicated, is my original work.

(ii) This thesis has not been submitted for any degree or examination at any other university.

(iii) This thesis does not contain other persons' data, pictures, graphs or other information, unless specifically acknowledged as being sourced from other persons.

(iv) This thesis does not contain other persons' writing, unless specifically acknowledged as being sourced from other researchers. Where other written sources have been quoted, then:

  (a) their words have been re-written but the general information attributed to them has been referenced;

  (b) where their exact words have been used, their writing has been placed inside quotation marks or indented, and referenced.

(v) This thesis does not contain text, graphics or tables copied and pasted from the Internet, unless specifically acknowledged, and the source being detailed in the thesis and in the References sections.

____
Ayo Whetho

____
Date

____
Professor Ufo Okeke Uzodike
Supervisor

Date: _________________________

____
Dr Alison Jones
Co-Supervisor

Date: _________________________

CERTIFICATION

It is hereby certified that this thesis entitled "Natural Resources, Profit and Peace: Multinational Corporations and Conflict Transformation in the Democratic Republic of Congo" is an original work carried out by Ayo Whetho (Student Registration Number 205518423).

This work was carried out under our supervision and guidance and is hereby accepted and recommended for Approval for the Award of the Degree of Doctor of Philosophy (PhD) in Political Science by University of KwaZulu-Natal.

______________________________	______________________________
Professor Ufo Okeke Uzodike	**Dr Alison Jones**
Supervisor	**Co-Supervisor**
Date: _________________________	Date: _________________________

DEDICATION

To Jehovah God, for His indescribable undeserved kindness

and

To Congolese, who continue to be shackled by historical and contemporary exigencies

DISCLAIMER

This thesis emanates from a scholarly endeavour, which was underpinned largely by field research. The views, arguments, findings and conclusions presented in this thesis are not intended to vilify or compliment actors/parties identified herein.

ACKNOWLEDGEMENTS

I am so deeply indebted to many people in the course of my academic sojourn in South Africa that this acknowledgment is insufficient to convey my gratitude. First of all, profound thanks to my supervisor, Professor Ufo Okeke Uzodike, – an embodiment of true selflessness – for his indefatigable support and guidance. His unstinting support (even at great personal and professional costs), enabled me to juggle teaching commitments and graduate studies. It has been an exceptional privilege to learn from his experiences as an academic, an administrator and a mentor. While acknowledging his towering influence on my life, I would be remiss not to thank him specifically for his painstaking critique and insightful suggestions in the process of writing this manuscript.

Special thanks to my co-supervisor, Dr Alison Jones, for her invaluable guidance, encouragement and support, which helped me to navigate the extremely turbulent and uneasy final stages of the doctoral programme. Despite her late appointment as co-supervisor and other pressing commitments, she demonstrated keen interest in my work and provided constructive feedback on this manuscript. Her elegant comments challenged me to think carefully about, and to refine, my writing. In addition, I thank her for her care, concern and empathy, and specifically for allaying my anxieties and frustrations occasioned by disconcerting developments towards the end of my doctoral studies. For these and many more helpful acts that I cannot recount here, I am truly grateful.

I thank my hosts and research assistants in the Democratic Republic of Congo and South Africa who worked diligently and tirelessly at various stages of the research – often under difficult conditions – to meet my demands. In addition, many thanks to all the study participants who provided me with information, without which this study would have been a mirage. I wish I could acknowledge you differently, or offer greater compliments here, without compromising my ethical commitment to confidentiality.

Many thanks to Professor Victor Ojakorotu for his efforts, through which I enrolled for graduate studies in South Africa and for his unwavering support over the years. My appreciation also goes to colleagues in the old School of Politics and the new School of Social Sciences (especially Ms Perdita Peters and the "NAB 343 Brigade") at the University of KwaZulu-Natal for their intellectual support. I am also grateful to highly esteemed and treasured friends for their words of encouragement and deeds of kindness. In Nigeria, some of you encouraged me with the flattering salutation – "Prof". In New Zealand and South Africa, dear friends – too numerous to mention – supported me in various ways and, thus, contributed immensely to my progress. Special thanks to those in the United States of America who warmly received me into their homes and provided access to intellectual spaces during the final stages of this work.

I owe a debt of gratitude to my Mom (Mrs Shade Whetho) and siblings (Segun, Setin, Seyon, Medese, Sonayon and Funmi) for uncomplainingly enduring the pains of my long absence from home, but especially for their dogged patience and understanding. I would not have embarked on, let alone completed, my academic sojourn in South Africa without your unwavering perseverance. I am truly grateful and I hope the end of my involuntary hibernation will soon engender compensatory benefits for you all.

Finally, I thank the International Development Research Centre (IDRC)/United Nations University for Peace (UPEACE) Africa Programme for the award of doctoral research grant and for the trips to Addis Ababa, Ethiopia, for the Peace Research Capacity Building Workshops, which provided immense fillip towards completing the doctoral programme.

ABSTRACT

This study is anchored on the premise that contemporary international relations has been characterised by the expansion and growing importance of multinational corporations (MNCs) whose power and influence have had concomitant ramifications for national sovereignty and autochthonous socio-economic arrangements. Through their expansion and operations in host countries, MNCs are imbricated in activities or processes that may exacerbate socio-political traumas and development pathologies on one hand, and those that may facilitate transformative change on the other. In mineral-rich but conflict-prone environments, MNCs are directly or invariably drawn into conflicts in which access to natural resources is germane to attaining/sustaining the corporate objective of profit maximisation. To unpack these issues, the study uses a triangulation – natural resources, profit and peace – to interrogate the roles of MNCs in conflicts and the peace process in the Democratic Republic of Congo (DRC) – a country whose 'biography' is steeped in conflict.

The study relies on data gathered from three (3) focus group discussions (comprising 30 participants, mainly Congolese expatriates in South Africa), 71 in-depth interviews and 150 questionnaires administered in the DRC. Research findings suggest that MNCs in conflict zones such as the DRC are confronted with a choice: to engage in activities that exacerbate conflicts or contribute to peace processes. Corporate complicity in conflicts, which takes the form of illicit resource exploitation and the provision of financial assistance and logistical support to warring parties, lubricates war economies. By contrast, corporate actors make positive contributions in conflict settings through social responsibility projects and humanitarian programmes. Therefore, MNCs can be parties in conflict even as they can be agents of peace.

MNCs – as powerful economic actors – are influential host environments, especially in weak states. State deflation gives corporations comparative advantage in the public sphere, thus making their activities – whether positive or negative – extremely significant. The DRC case shows that MNCs shape conflicts in terms of intensity, technological sophistication, longevity and the prospects for their attenuation. However, the study also reveals the potentialities of MNCs to contribute to peace, development and prosperity in host environments. Hence, the utility of mainstreaming corporate peacebuilding into business activities in conflict zones.

Finally, the study – drawing from the findings – makes recommendations that address the deleterious consequences of the intricate connections of natural resources, business and conflicts. These recommendations relate to the reconstruction or restructuring of the state in Africa to make it developmental, with a view to mobilising its natural resources for national prosperity; and the consolidation of effective natural resource management and good political/economic governance, with an eye on issues such as anti-corruption, transparency in the extractive industry, and environmental sustainability. The study also recommends the emplacement of sub-regional mechanisms to bolster national capacities for combating illicit resource exploitation and trafficking; the creation of effective international certification schemes to regulate mineral exploitation and trade; and the development of a Pan-African regime for regulating corporate behaviour vis-à-vis conflict-sensitivity and the role of business in peacebuilding and development processes. Collectively, these recommendations not only offer roadmaps for resource-rich countries plagued by, or emerging from, conflicts, and those striving to circumvent the slide into the vortex of resource-related political instability but also prescribe policy choices that facilitate resource-driven development.

ABBREVIATIONS/ACRONYMS

ABAKO	*Alliance des Bakongo* (Alliance of Bakongo or Bakongo Alliance)
ADF	Allied Democratic Forces
AfDB	African Development Bank
AFDL	*Alliance des forces démocratiques pour la libération du Congo-Zaire* (Alliance of Democratic Forces for the Liberation of Congo-Zaire)
ANC	*Armée Nationale Congolaise* (Congolese National Armed Forces)
ASM	Artisanal and small-scale mining
BBC	British Broadcasting Corporation
CIA	Central Intelligence Agency
CNDP	*Congrès national pour la défense du peuple* (The National Congress for the Defence of the People)
CNS	*Conférence nationale souveraine* (Sovereign national conference)
CSR	Corporate social responsibility
DRC	Democratic Republic of Congo
EU	European Union
FAR	*Forces Armées Rwandaises* (Rwandan Armed Forces)
FARC	*Fuerzas Armadas Revolucionarias de Colombia* (Revolutionary Armed Forces of Colombia)
FARDC	*Forces Armées de la République Démocratique du Congo* (Armed Forces of the Democratic Republic of Congo)
FDI(s)	Foreign Direct Investment(s)
FDLR	*Forces démocratiques de libération du Rwanda* (Democratic Forces for the Liberation of Rwanda)

FNLC	*Front National pour la Libération du Congo* (National Front for the Liberation of the Congo)
FoE	Friends of the Earth
FSI	Failed States Index
GDP	Gross Domestic Product
HRW	Human Rights Watch
i. d.	internet document
ICGLR	International Conference on the Great Lakes Region
ICJ	International Court of Justice
IDPs	Internally displaced persons
INGOs	International non-governmental organisations
JETRO	Japan External Trade Organization
KPCS	Kimberley Process Certification Scheme
LDCs	Less developed countries
MLC	*Mouvement de Libération du Congo* (Movement for the Liberation of the Congo)
MNC	*Mouvement National Congolais* (Congolese National Movement)
MNC(s)	Multinational corporation(s)
MONUC	*Mission de l'Organisation des Nations Unies en République démocratique du Congo* (United Nations Mission in the Democratic Republic of Congo)
MONUSCO	*Mission de l'Organisation des Nations Unies pour la stabilisation en République démocratique du Congo* (United Nations Organization Stabilization Mission in the Democratic Republic of Congo)
n. d.	no date

NGOs	Non-governmental organisations
OECD	Organisation for Economic Co-operation and Development
PCs	Personal computers
PSMCs	Private security multinational corporations
RAID	Rights and Accountability in Development
RCD	*Rassemblement Congolais pour la Démocratie* (Congolese Rally for Democracy)
RPA	Rwandan Patriotic Army
RPF	Rwandan Patriotic Front
SADC	Southern African Development Community
SOMIGL	*Société Minière des Grands Lacs* (Great Lakes Mining Company)
SPSS	Statistical Package for the Social Sciences
TNC(s)	Transnational corporation(s)
UDPS	*Union pour la Démocratie et le Progrès Social* (Union for Democracy and Social Progress)
UK	United Kingdom
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNITA	*União Nacional para a Independência Total de Angola* (National Union for Total Independence of Angola)
UNSC	United Nations Security Council
US$	United States dollars
US(A)	United States (of America)
WWII	World War II

TABLE OF CONTENTS

Contents **Page**

LIST OF FIGURES

LIST OF TABLES

CHAPTER ONE

INTRODUCTION

1.1 Introduction/Background to the study

> Since the end of the Second World War no aspect of international political economy has generated more controversy than the global expansion of multinational corporations (Gilpin, 1987: 231).

In the immediate post-Second World War period (precisely in 1949), the International Court of Justice (ICJ) noted in an Advisory Opinion that "the progressive increase in the collective activities of States has already given rise to instances of action upon the international plane by certain entities which are not States" (quoted in Hernández, 2011: 142). These "entities which are not States", are referred to as non-state actors. The post-World War II international system has been characterised by the emergence and ascendance of non-state actors whose power and influence have had concomitant ramifications for national sovereignty. In fact, the dramatic rise in the number and types of non-states actors since 1945 seemingly confines the ICJ's observation in 1949 to the level of an understatement. As Noortmann (2002: 36) posits, the "Court's observation … pales into insignificance in view of the contemporary development, known as *globalisation*. The rise and proliferation of *non-state actors* have developed beyond the Court's imagination" [Emphasis in original].

Post-World War II developments have underpinned the ascendance and phenomenal influence of non-state actors. These developments include the end of the Cold War, increasing global interconnectedness (that is, globalisation), the revolution in transport, information and communication technologies and the emergence of a plethora of issues that transcend state-centric jurisdictions, which necessitate collective action or the pluralist-interdependent approach to their management. The proliferation of non-state actors and their involvement in the management of transnational issues at the global level have given birth to the idea of "*global governance*, which is no longer a matter solely administered and managed by states" (Noortmann, 2002: 36) [Emphasis in original]. In this way, non-state actors have stepped into domains that hitherto constituted the exclusive preserve of states thereby – depending on an observer's perspective – circumventing, undermining, eroding, or transforming national sovereignty. Although states remain the principal actors in international relations, the dramatic rise and influence of non-state actors have challenged dominant state-centric discourse and praxis.

At the level of analysis, the roles of non-state actors in the international system have engendered the rethinking of issues, approaches and theories that inform and underscore the structure and process of contemporary international relations and global politics. At the level of praxis, they are reshaping aspects of interstate and intergovernmental relations, including the management of transnational issues and global problems. Nonetheless, it is apt to add that states are not the only entities that are affected by the phenomenal rise and importance of non-state actors. This post-World War II phenomenon has important repercussions for citizens (whose daily lives are affected by the activities of non-state actors), groups, communities and the very ecology that sustains humanity.

Besides individuals (primarily those with international profile), non-state actors include local and international non-governmental organisations, transnational criminal networks, terrorist networks, liberation movements, religious networks and multinational corporations (MNCs[1]). Goldstein (2004: 12) argues that "[m]ost important among these private actors are MNCs." Giddens (1990: 71) highlights the importance of MNCs in the international system to wit: "If

[1] Multinational corporations are also referred to as global corporations (GCs), multinational companies (MNCs), multinational enterprises (MNEs), transnational companies (TNCs), transnational corporations (TNCs), or transnational enterprises (TNEs). They are also referred to simply as "multinationals" in international political economy narratives. This study uses MNCs for the sake of consistency. A subsequent section in this chapter (see "Clarification of key concepts") provides definitions of MNCs.

nation-states are the principal 'actors' within the global political order, corporations are the dominant agents within the world economy." In explicating their dominance in the global political economy, Giddens (1990: 71) notes that MNCs "wield immense economic power, and have the capacity to influence political policies in their home bases and elsewhere. The biggest transnational companies … have budgets larger than those of all but a few nations." It is instructive to consider a few examples, based on economic statistics, which illustrate Giddens' point.

For instance, in 2000 twenty-nine MNCs made the list of the world's one hundred largest economies (Goodwin, 2005: 135).[2] In 2006, the revenues of each of the top ten MNCs "were over $168 billion, more than the gross domestic product (GDP) of at least 140 countries" (Spero and Hart, 2010: 132).[3] Like Giddens, other scholars (Gilpin, 1987: 231; Kowaleski 1981) unpack the dominance and the comparative strategic advantage of MNCs vis-à-vis states with reference to the reality that many MNCs possess resources far in excess of most countries.[4] This reality makes MNCs "the world's most powerful economic actors" (Goodwin, 2005: 135).

---

[2] Goodwin obtained this data from a report by the United Nations Conference on Trade and Development (UNCTAD). For details, see United Nations Conference on Trade and Development. 2000. *World Investment Report, 2000*. New York: United Nations.

[3] An example, that illustrates this point, is instructive here. In 2006, Walmart (a United States multinational retail corporation) generated revenues in excess of US$350 billion, which "were larger than the GDP of all but the 21 largest national economies and well ahead of Denmark, Norway, Saudi Arabia, and Poland" (Spero and Hart, 2010: 132).

[4] This fact, however, does not mean that MNCs are more important actors than states or that MNCs will supplant states as the principal actors in the international system. Certain attributes of states, which MNCs do not possess, underpin the primacy of states in the system. Giddens (1990: 71) puts this point in perspective by aptly asserting that "there are some key respects in which [MNCs'] power cannot rival that of states – especially important here are the factors of territoriality and control of the means of violence… All modern states have a more or less successful monopoly of control of the means of violence within their own territories. No matter how great their economic power, industrial corporations are not military organisations (as some of them were during the colonial period), and they cannot establish themselves as political/legal entities which rule a given territorial area."

However, other factors – besides economic power – make MNCs influential actors in the international political economy. Roach (2005: 19) aptly notes that "[w]ithin the nations in which they operate, large corporations exert political influence to obtain subsidies, reduce their tax burdens, and shape regulations." Moreover, MNCs shape the lives of people within nations in compelling ways, especially in the areas of production of goods and provision of services, infrastructure, technology, cultural tastes and preferences, and lifestyles in general. In almost subtle and imperceptible ways, MNCs may influence people in terms of what they eat or wear, and how they live, work and play. These everyday aspects of life demonstrate the profound impact that MNCs have on states and people. Against this backdrop, Roach (2005: 19) posits that the modern MNC "is an economic, political, environmental, and cultural force that is unavoidable in today's globalized world."

Apart from their economic clout and impact within states, one reality that typifies the ascendance and growing importance of MNCs or "leviathans" – as Chandler and Mazlish (2005)[5] call them – is their global expansion since the end of World War II but remarkably in the 1990s with much of this expansion taking place in the Third World. For example, a report by UNCTAD highlighted the significant growth of MNCs from 35,000 in 1990 to 65,000 in the year 2000 (in Roach, 2005: 24). The report also noted that between 1990 and 2002 this growth was especially dramatic in developing countries where number of MNCs increased by 258 percent compared to 63 percent in developed countries (in Roach, 2005: 24). In the absence of current statistics, further evidence of this growth was that by the year 2006, "there were 78,000 MNCs with 780,000 overseas affiliates" (Spero and Hart, 2010: 129).

[5] Chandler and Mazlish's use of the term "leviathans", which conjures up images of a colossal, enormous, gargantuan, gigantic or monstrous entity, speaks to the phenomenal influence of MNCs in the international political economy.

Several factors account for the phenomenal expansion of MNCs in developing regions. For instance, many countries in the developing world offer generous tax concessions or incentives in order to attract FDIs, and MNCs generally take advantage of such provisions. In addition, relatively low costs of factors of production in developing countries is a significant pull factor, which underpins MNC investment in these countries. Of these factors of production, low labour costs is a preeminent consideration for MNCs as it enables them to pay considerably lower wages (when compared to the wage structures in the developed world) and, in the process, to maximise profit. The search for new markets also drives investment by MNCs in developing countries, given the large populations and consequently, large market potential, which corporations strive to tap into. In many ways, conditions in developing countries offer prospects for higher returns on investment for MNCs, for whom profit maximisation is an overarching objective. In the context of this study, a factor that also underpins MNCs' expansion is the availability of natural resources in developing countries. The presence of strategic minerals has drawn MNCs into developing regions including conflict-prone countries or conflict zones.

Some MNCs operate in zones of conflict to access natural resources, strategic assets and larger markets for the purpose of maximising their commercial interest (Kanagaretnam and Brown, 2006: 2). However, the presence of MNCs in conflict zones is not without repercussions. For instance, "recent history of several conflicts has shown that access to lucrative economic resources with the active participation of MNCs has played an important role in fomenting and sustaining conflicts" (Kanagaretnam and Brown, 2006: 1). This reality has engendered academic interest in the analysis of the nexus between MNCs and the dialectics of conflict. There is, for example, burgeoning scholarly analyses of MNCs' roles in "resource wars" and conflicts (in general) in states such as Algeria, Angola, Burma

(Myanmar), Colombia, Indonesia, Liberia, Nigeria, Sierra Leone, and the Sudan (Berman, 2000; Campbell, 2002; Banfield, Haufler and Lilly, 2003; Guenther, 2005; Richani, 2005; Kanagaretnam and Brown, 2006; Patey, 2006a). While some analyses examine the roles of MNCs in initiating and sustaining conflict, others focus on corporate initiatives that promote peacebuilding in zones of conflict. This study on the nexus between MNCs and conflicts in the Democratic Republic of the Congo (DRC) [DR Congo or the Congo hereafter] is located in the context of this emergent, empirical tradition.

The scramble for the DRC's vast mineral resources has been a major factor in the perpetuation of the conflicts in the country. Specifically, the *First Congo War* (1996-1997), which culminated in the ouster of late President Mobutu Sese Seko and the *Second Congo War* (1998-2003), which involved a number of foreign armies, rebel groups, grassroots militias and businesses, highlighted the resource dimensions of conflicts. The *Second Congo War* was unique for a number of reasons. It was characterised by complexities hitherto unseen in African conflicts, drawing in as many as nine national armies and several profiteering networks at some point. The complexities associated with the war engendered references to it as "Africa's First World War" (Taylor, 2003: 45) and "Africa's Continental War" (Weiss, 2000: 4). As this study shows, of striking importance were the roles of natural resources and corporate actors in the conflict. The scramble for DR Congo's mineral wealth on the part of neighbouring states, government officials, rebel/militia leaders, MNCs and other profiteering networks created a "war economy" and brought the economic dimensions of the war to the fore.

Besides proven and unsubstantiated reports of MNCs' complicity in DR Congo's conflict, no attempt has been made to analyse systematically the context-specific roles of corporate actors in the conflict.[6] Besides the "naming and shaming" tactics of advocacy groups and United Nations (UN) censure, reports of corporate complicity in the DRC's conflict have – to borrow Patey's (2006a: 11) expression – been locked to "simplistic notions of profit maximisation", clearly begging salient questions that could offer insights into the nexus between MNCs and conflict. What factors underpinned the involvement of MNCs in the DRC's conflicts? What roles did MNCs play in the conflicts? What was/were the impact(s) of their involvement? Did MNCs play any roles in support of conflict attenuation? If yes, what were these roles and why? What conclusion(s) do MNCs' involvement in the DRC engender regarding the role of natural resources in fragile and conflict-prone environments?

These questions constitute the focal points of this study in its examination of the roles of MNCs – "leviathans" – in an environment that ostensibly does not constrict their opportunities for enrichment. In formulating responses to these questions, this study examines the behaviour of selected MNCs in the DRC's extractive/mineral sector. The significance of analysing MNCs in the extractive sector is predicated on the centrality of natural resources to the DRC's conflicts, of which the exploitation of minerals such as columbite and tantalite (known as coltan), diamonds, gold and wolframite has been a major factor in conflict perpetuation.[7]

[6] Although international non-governmental organisations such as Friends of the Earth (FoE), Enough Project, Global Witness, Human Rights Watch (HRW), and Oxfam have, at various times, indicted MNCs for their complicity in the exploitation of the DRC's resources, the United Nations' indictment of MNCs operating in the DRC has been particularly scathing, especially from the perspective of corporate actors. As of 2002, the Panel of Experts, established by the United Nations in 2000 to study the illegal exploitation of the DRC's natural resources, had published three reports – followed by a supplementary report in 2003 – accusing eighty-five MNCs of breaching ethical guidelines by facilitating the plunder of the country's mineral wealth (Carroll, 2002; Kern, 2006).

[7] Coltan is a rare, valuable mineral used in the production of cell phones, pagers, digital versatile/video disk (DVD) players, computer chips, night vision goggles, fibre optics, jet engines, space aeronautics and nuclear reactors. The DRC has eighty (80) percent of the world's coltan reserves (Vesperini, 2001; Ross, 2005). Importantly, the international scramble for scarce resources, coltan in particular, has been a crucial factor in the perpetuation of the conflict in the DRC.

The outline above presupposes an interconnectedness between natural resources, the activities of resource extractors/traders and the consequent transformational processes that characterise conflicts. This interconnectedness underscores the use of a triangulation – natural resources, profit, and peace – and its linkage with conflict transformation in this study's title as well as in its primary objective, which is explicated later in this chapter.

As noted earlier, burgeoning analyses of corporate-conflict dynamics examine the potentially ambivalent roles that MNCs play in conflict – as catalysts for conflict perpetuation or as peacebuilders. Although it is possible to conceptualise corporate behaviour along these two broad roles, MNCs' actions in each category are by no means homogenous; they vary and are shaped by conflict dynamics. This study on corporations in conflict zones captures and unpacks this intricate reality of corporate behaviour.

Furthermore, the study emphasizes the idea that intervening variables in conflict situations, including the actions or inactions of belligerents and profiteering networks, determine the trajectory of conflicts. Importantly, the roles of corporations in zones of conflict constitute a decisive intervening variable that defines the nature, tortuousness and outcome of conflicts. However, this is by no means a linear or unidirectional linkage, as the dynamics of conflict determine the risks to and role of corporations. In other words, corporate behaviour influences and is influenced by the ebbs and flows (or cyclical patterns) of conflict.

Given that MNCs are important, powerful non-state actors with considerable leverage (that is enhanced by weak state capacity/inertia), they wield enormous influence that could sustain conflict or that could be channelled constructively towards building peace. Hence, this study examines the strategic behaviour of resource-extracting and resource-trading MNCs in the DRC during the conflict and post-conflict epochs.

Arising from this background, this study seeks to develop a framework for understanding corporate behaviour in zones of conflict through the examination of the roles of MNCs in the DRC. This analysis of the strategic behaviour and roles of "leviathans" in the DRC during conflict epochs characterised by state deflation and government inertia is intended to make a scholarly contribution to the understanding of the political economy of (resource-based) conflicts.

1.2 Research hypothesis

This study's hypothesis is that *the interplay of corporate objectives and the operational context (that is, the local, national and international environments) underpins the strategic behaviours of multinational corporations in conflict zones*.

1.3 Research objectives

The main objective of this study is to examine the role of MNCs in the DRC's conflicts and peacebuilding process. Specifically, the study's core objectives are as follows:

(i) To examine the underlying causalities in and motivations for MNCs' involvement in the DRC's conflicts and conflict transformation process.

(ii) To interrogate the strategic behaviour(s) and involvement of MNCs in the DRC's conflicts and conflict transformation process in the context of state deflation and government inertia.

(iii) To examine the impact of corporate actors' roles on conflict dynamics and prospects for positive transformative change.

(iv) To assess the perils and promise of corporate peacebuilding against the backdrop of the "business case" for corporate social responsibility (CSR).

1.4 Research questions

This study poses and seeks to address the following questions:

(i) What context-specific variables undergirded the strategic behaviour of MNCs in the DRC's conflict zones?

(ii) What were the specific roles of MNCs in the DRC's conflicts and conflict transformation or peacebuilding process?

(iii) What impacts did corporate behaviour have on the DRC's conflicts and peacebuilding process?

(iv) What conclusions do MNCs' roles in the DRC's public sphere engender regarding the perils and promise of corporate peacebuilding especially in the emerging post-conflict epoch?

In grappling with these key questions, this study seeks to underscore the rethinking of two paradigms that inform research and practice in the domain of peace and conflict. In other words, the paradigms relate to theory and praxis. One is the orthodox *conflict analysis* paradigm, which focuses essentially on armed groups or warring parties. The second is the formal governmental *peace process* paradigm that emphasises the role of state actors but largely ignores powerful non-state actors whose actions in conflict zones shape the dialectics of conflicts. In addressing these questions, this study emphasises the instrumentality of a holistic framework that encapsulates the motivations, strategic interests and multifarious roles of key and powerful non-state actors in conflict zones.

1.5 Significance of the study

> The impact of a company on conflict has been under-researched and largely ignored (Banfield, Haufler and Lilly, 2003: 17).

> …only a limited number of studies have focused on explaining TNCs' behaviour in general and very few have looked specifically at their role in conflict zones (Rieth and Zimmer, 2004: 10).

There has been considerable scholarly inquiry into the phenomenal expansion, role and powerful influences of MNCs in the global political economy. International relations scholars have also given extensive attention to MNCs' operations and their impacts in developing countries. For example, scholars have explored the nexus between MNCs' operations and environmental/ecological problems (for example, oil spillage and gas flaring), between MNCs' operations and human rights violations (Royal Dutch Shell in Nigeria's Niger Delta, for example) and between the security-seeking activities of MNCs and militarisation/small arms proliferation. It is also worth noting that scholarly works – albeit limited but growing – have addressed the causes and dynamics of conflicts in the DRC, the involvement of foreign forces, and the tortuous peace process.

However, there is a dearth of systematic analyses of the role of the private sector or multinationals in the country's conflicts and peace process. In fact, there is a stupefying paucity of literature on the role of MNCs in the DRC's conflicts and peace process. This is in contradistinction to novel attempts by scholars to explore the strategic behaviour of MNCs vis-à-vis the conflicts in the Sudan (Khartoum) and in Colombia, for example. These scholarly attempts are described as novel in the sense that academics have "largely ignored the public role of private actors, especially the involvement of TNCs in conflict zones" (Rieth and Zimmer, 2004: 2). This point is relevant to the DRC's context.

The increasing realisation that important and powerful non-state actors such as MNCs and local profiteering networks wield enormous clout that could shape the dynamics of conflicts in pursuit of their strategic interests has not been reflected in the scholarly analyses of the DRC's conflicts. Beyond claims and counter-claims of corporate complicity in conflicts, there is a need for systematic or empirical analyses of MNCs' strategic behaviour in the DRC with reference to the conflict cycle and the peace process. From a social sciences perspective, it is important to interrogate the "why" question in relation to corporate actors' involvement in the DRC's public sphere. Therefore, this study addresses an extant gap in the research. By examining the motivations and roles of profit-seeking non-state actors in the DRC's zones of conflict, this study seeks to add to the literature on the political economy of war. At the level of praxis, this study makes policy recommendations that seek to stimulate effective natural resource governance in the DRC while providing lessons for other resource-rich but conflict-prone environments.

1.6 Methodology and research design

The nature of this study necessitated a combination of research methods and approaches. Therefore, this study adopted the mixed methods approach, encapsulating historical and qualitative approaches, with tangential use of quantitative analysis (where necessary) to illuminate the research data.[8] The historical approach entails the "systematic collection of data which is preceded by the objective evaluation of information related to past events so as to test hypotheses in regards to their causes and effects in order to be able to explain the present trends and have focus on the future" (Busha and Harter, 1980: 90). This approach enhances the understanding of current trends and enables prognostication or analytical projection of social phenomena through incursion into historical trajectories. The

[8] The quantitative aspect of this study involved the use of Statistical Package for the Social Sciences (SPSS) for capturing and analysing/cross tabulating a number of variables in the research (data collection) instrument.

examination and interpretation of evidence and the drawing of logical conclusions thereof are integral to historical research (Hancock and Algozzine, 2006: 80). With reference to this study, the utility of the historical approach lies in its centrality to understanding the historical basis of the crisis in the DRC.

The study also utilised the exploratory and inductive qualitative method in view of the nature of the research. The qualitative approach enables researchers "to explore and discover issues and problems" about phenomena in their "natural" setting in a way that generates "rich data" (Domegan and Fleming, 2007: 24). It entails studying "things in their natural settings, attempting to make sense of, or to interpret, phenomena in terms of the meanings people bring to them" (Denzin and Lincoln, 2000: 3). The strengths of this method are that it allows for the exploration of convoluted phenomena in a holistic fashion, reduces the tendency by researchers to impose their assumptions or biases, and conclusions result from the data – thus obviating *a priori* conclusions (Wiersma, 1995: 211-212). In this way, data and meaning emerge "organically" from the context being studied (McMillan and Schumacher, 1993: 479).

It is instructive to note that qualitative "methods are appropriate when the phenomena under study are complex, are social in nature, and do not lend themselves to quantification" (Liebscher, 1998: 669). Qualitative research is essentially exploratory and involves methods of data collection that are non-quantitative or non-numerical (Miles and Huberman, 1994: 32-48). The qualitative method captures the intricacies of social life and "treats actions as part of holistic social process and context, rather than as something that can be extracted and studied in isolation" (Payne and Payne, 2004: 176).

The qualitative method lends itself to the investigation of complex social phenomena without predetermining or delimiting the paths that such investigation should follow. Further, the utility of the qualitative method lies in its unassailable explanatory power and in providing detailed information on the subject matter of research, thus providing in-depth understanding of human/organisational behaviour and of social interactions as well as the rationale for such interactions. Against this backdrop, the qualitative method is appropriate in the context of the complexities associated with the subject matter of this study: corporate behaviour in zones of conflict. The qualitative method also informed the modes of data collection as discussed below.

1.6.1 Data collection techniques

Data for this study was generated through primary and secondary sources.

Primary sources

The primary sources of data for this study included focus group discussions, personal in-depth interviews, and a semi-structured questionnaire.

Focus group discussions: Focus groups are of immense utility in the collection of qualitative data, as they allow participants – in the course of interactions with one another – to articulate ideas and arguments that might not emerge through personal interviews or questionnaires. To be most effective, it is necessary for a focus group to be small and to include individuals from different fields or "walks of life" (Fontana and Frey, 1994: 364-365), if the subject matter of the study permits.

For this study, three focus group discussions were conducted in 2012 with Congolese expatriates in three South African cities of Durban, Johannesburg and Pretoria.[9] Each focus group comprised ten members drawn from different "walks of life" – academics, artisans, businesspersons, civil society actors, medical professionals and refugees. Three research assistants – one in each city – offered help in terms of locating and inviting participants to the sessions and moderating the discussions. The researcher tape recorded the sessions and subsequently transcribed them. Importantly, the focus group discussions enabled the researcher to clarify issues that emerged from completed questionnaires.

Interviews: The interview technique allows each participant "to reveal motivations, beliefs, attitudes and feelings on a topic" (Domegan and Fleming, 2007: 172). This technique, a one-on-one interaction between the researcher and the participants, enables the researcher to obtain first-hand information and clarify positions on a complex subject in social science research. Moreover, it allows for a broader and deeper exploration of specific aspects of issues in ways that a focus group discussion or a questionnaire may not normally do. The use of interviews also mitigates the problems of limited administration/application, low response rate and limited opportunity to clarify issues/views associated with the use of the questionnaire method (Kumar, 2005: 114).

The use of a detailed interview technique elicited incisive and illuminating responses from interviewees. The researcher conducted 71 in-depth interviews with individuals whose grasp

[9] Focus group discussions were not held in the DRC because of the sensitive nature of the research, which touched on illicit behaviour by actors involved in the DRC's conflicts. Therefore, the researcher had to be circumspect about exposing participants (and possibly their families) to risks in the DRC. Such danger was not readily palpable in South Africa (where focus group discussions were held), as Congolese migrants – albeit in small groups and intimate settings – were more inclined to share their views on issues back home.

of the study's subject matter varied and ranged from marginal and average to profound.[10] Interviewees included persons with affiliations to MNCs (that is, those who worked with *comptoirs* [mineral trading houses] and former employees of companies) as well as current and former government officials (in the Presidency, Ministries, and the military). The researcher also interviewed academics, civil society activists, journalists, community and youth leaders (whose communities have been impacted by the activities of MNCs) as well as individuals involved in the DRC's informal economy.

In-depth interviews took a number of forms, which were determined by exigencies during fieldwork in the DRC. 55 face-to-face interviews were conducted with the majority of interviewees. In addition, the researcher utilised the novel approach of e-interviews (that is, electronic interviews) where conflict and insecurity prevented him from travelling to some areas in the DRC. 13 e-interviews were conducted via Skype™, a voice over internet protocol and instant messaging platform. The same rationale for the use of e-interviews also informed the utilisation of telephonic interviews, three of which were conducted.

Given the ethical imperatives of anonymity and confidentiality, and especially the sensitive nature of the study, the researcher made commitments to participants (some of whom are persons in high profile positions) to use pseudonyms/codes in the presentation of participants'

[10] The number of interviews conducted fell short of the desired threshold of 100 or 120, based on the expectation that at least 20 persons would be interviewed in each of the six stakeholder constituencies described in this section. It is imperative to state the reason for this shortfall. During fieldwork in the DRC, some individuals with knowledge of the research issues declined to participate in the study unless they were paid. In one instance that I found to be most bewildering, a professor had agreed to be interviewed but changed his mind while I was on the way to the appointment. The professor insisted on being paid US$200 for granting an interview! He told me tersely on the telephone: "If you have $200, you can come; if you don't have it, don't come." Having exhausted my fieldwork budget (and depleted my personal savings while in the DRC), I could not interview the professor, whom I gathered had considerable knowledge of DR Congo's mining sector. Thoroughly agitated, I complained bitterly to one of my research assistants about this incident (in particular) and (in general) about participants' predilection for wanting to be paid for participating in a study that potentially benefits Congolese, their communities and the country at large. Interestingly, when I raised the ethical issues and consequences associated with this situation, my research assistant informed me that this was a norm in the country and that he could even arrange for me to obtain an official letter addressed to my University indicating that I had to pay the study participants.

views. Therefore, this study uses two or three letters of the alphabet to represent each interviewee (where it is reasonably safe to do so) and refrains from doing so altogether where other persons could decipher a participant's identity from the initials by virtue of the participant's stakeholder affiliation, position or the office that he or she holds.

Questionnaires: Questionnaires allow researchers to gather data from a much larger number of participants than interviews do. Kumar (2005: 127) posits that the choice of interviews or questionnaires is determined by at least three criteria: the "nature of the investigation" (that is, the sensitive nature of issues involved); the "geographical distribution of the study population"; and the "type of study population." An aspect of this study (the involvement of actors in the DRC's conflicts) is of a sensitive nature. In addition, the study participants are located in different parts of the DRC, a considerably large country. These conditions necessitated the use of questionnaires for collecting data.

The questionnaire was semi-structured, comprising closed-ended and open-ended questions. The open-ended questions offered participants the opportunity to clarify or comment on quantitative or ordinal variables. In terms of its overview, the questionnaire sought to elicit answers to research questions based on respondents' knowledge or awareness, views and perceptions on the involvement of corporate actors in conflicts and the peacebuilding process as well as the significance or impacts of such involvement by corporate actors. The questionnaire was prepared in two languages – English and French – to cater to the linguistic profile of participants who comprised both Congolese and non-Congolese.[11]

[11] The researcher did this in deference to suggestions made by research assistants prior to fieldwork in the DRC.

Using a combination of purposive (expert) and snowball sampling methods[12], the researcher administered more than 350 questionnaires in the DRC, of which only 150 were returned.[13] The researcher subsequently enlisted the assistance of a qualified (that is, certified) translator to translate questionnaires that were completed in French into English. All 150 questionnaires were carefully examined, checked for reliability and validity, and later captured using SPSS.

The three techniques (focus group discussions, interviews, and questionnaires) generated rich data that contributed towards addressing the research questions. However, it is instructive to note that participants' views were complementary and contradictory to varying degrees. This is not surprising, as the issues around the theme of the study were intricate, controversial and likely to evoke emotive responses. Careful analyses and juxtapositions of data obtained from focus group discussions, interviews, questionnaires and a rigorous review of information presented in secondary sources led to the formulation of the study's main premises, arguments and conclusions.

[12] The nature of the research, which required participants to provide information based on knowledge, expertise, or experiences vis-à-vis the activities of MNCs in the DRC, necessitated the choice of purposive (expert) and snowball sampling methods.

[13] The reason for the low response rate was the same as given in footnote 10 (*supra*, page 16). The vast majority of potential respondents to the questionnaire, just like some interviewees, demanded money before completing the survey instrument. The average "asking price" for completing the questionnaire was US$20 or US$50, depending on the "status" and "knowledge" of the respondent. In most cases, I protested that I was just a student, but respondents reminded me that I was conducting research on natural resources and that I was visiting from South Africa, the country of gold. I was surprised that most of the study participants thought that I had a financial chest/kitty from which I could dole out cash. I was also intrigued by the general preference for the US dollar as opposed to the Congolese Franc. (One of my research assistants told me that most Congolese were accustomed to using the US dollar and could tell if a dollar note was counterfeit, but they might not be able to do the same in respect of the Congolese Franc.)

Secondary sources

The main sources of secondary data for this study comprised books, journal articles, magazines, newspapers, government legislations/reports, company reports, UN reports and the internet. (The internet served as an invaluable source of information for the study given the contemporary nature of the subject matter of the study and the typically dramatic manner in which events unfold in the DRC). These secondary sources provided extensive bibliographic and contextual information that complemented the primary sources of data, thus illuminating the study.

1.6.2 Data analysis

Data obtained from primary and secondary sources were assessed through *content analysis*, which Stone, Dunphy, Smith and Ogilvie (1966: 5) define as "any technique for making inferences by systematically and objectively identifying specified characteristics within text." This technique entails summarising and reliance on "the scientific method (including attention to objectivity-intersubjectivity, a priori design, reliability, validity, generalizability, replicability, and hypothesis testing) and is not limited [to] … the context in which the messages are created or presented" (Neuendorf, 2002: 10). It entails "interpreting people's attitudes, values, and behaviour" as conveyed in variety of textual forms (Shuker, 1999: 316); or as Neuman (2000: 292) puts it, the "gathering and analyzing [of] the content of the text: language, words, phrases, themes and symbols." Essentially, content analysis is about "the systematic analysis of communications content" (Hansen *et al*., 1998: 91). The analysis of information conveyed in various forms enables the researcher to situate data in the research context. A key to doing this is to delineate the object of inquiry (Altheide, 1996: 14), and to situate the data in the context of the main aspects of the study.

Applying this technique, the researcher carefully analysed respondents' views and methodically isolated relevant/specific content from diverse data generated during fieldwork. The study's hypothesis and research questions served as "operational sign posts" for delineating the contours of the analysis, which was done in the context of MNCs' strategic behaviour(s) in an ambience characterised by state deflation and government inertia. The researcher took care to isolate information that underscored broad conceptual/thematic and relational issues. Respondents' views were coded into specific content categories (for example, corporate social responsibility, corporate complicity, corporate peacebuilding, state deflation/failure, and local/international environmental activism), which were relevant to the study's objectives. Moreover, the relationships between these content categories were analysed in order to show the perceptions of corporate behaviour. In summary, this study synthesized data gathered from both primary and secondary sources in order to provide a holistic analysis of MNCs' roles in the DRC's conflicts and peace process.

1.7 Scope of the study

This study explicated the roles of corporate actors in the DRC's conflict and peacebuilding process through the examination of the strategic behaviour of ***selected*** MNCs as reflected in respondents' views.[14] It was impossible for the study to analyse ***all*** MNCs with connections to the DRC. Furthermore, in discussing corporate behaviour, the study refrained from linking each corporation with a specific act of illegality, except where such information was already in the public domain (for example, presented in secondary sources). This was necessary in order to forestall any potential recriminations and legal issues.

[14] The selected MNCs are Afrimex, Amalgamated Metal Corporation, America Mineral Fields (now Adastra Minerals), American Diamond Buyers, Anglo-American PLC, Anvil Mining, Banro Corporation, Barrick Gold Corporation, Cabot Corporation, Cogecom Coltan Trading Company, De Beers, Tenke Mining Company, and Thailand Smelting and Refining Co., Ltd (THAISARCO).

In terms of timeline, this study interrogated the underlying motivations, strategic interests and character of corporate behaviour in the DRC during the epoch characterised by the eruption and continuation of conflicts in the country. The study's timeline is divided into primary and secondary periods. The primary period that the study focused on was between 1996 and 2006, which, arguably, was the most traumatic in the recent history of the DRC. During this period, the country was plagued by what has been labelled "Africa's First World War", and subsequent localised conflicts in eastern DRC. This period, therefore, was most amenable to the analysis of corporate behaviour during conflict, including the role of MNCs in the process of conflict reduction. The secondary period was the post-2006 epoch, which has been marked by efforts to build peace and rebuild the country along the "*cinq chantiers*" (that is, five pillars) of reconstruction. This era was relevant for unpacking corporate initiatives that facilitated or undermined peacebuilding in the country.

1.8 Limitations

A study of this nature is – expectedly – fraught with limitations. The researcher acknowledges the possibility of bias on the part of the study participants, especially employees of MNCs and their cohorts/beneficiaries as well as those who might be opposed to them. This possibility has an implication for objectivity. In order to address this challenge and mitigate its effect as well as to ensure objectivity, the researcher undertook a careful analysis and juxtaposition of respondents' views as outlined in the data analysis section of this chapter.

Moreover, the celerity at which developments unfold in the DRC presents a formidable challenge in time-limited research of this nature. Indeed, almost all published works on the DRC crisis "risk" being overtaken by new/unforeseen realities within a relatively short time.

This thesis may also suffer the same fate, even before its completion, or while it is being examined or by the time other readers peruse it. In addition to the fluidity and unpredictability of events in the DRC, developments in the country often defy common and established logic in conflict analysis. Against this backdrop, there is the potential danger that certain (unpredictable/unforeseen) developments in the DRC vis-à-vis the study's arguments/findings may confound future readers, or even place some of the study's recommendations in the realm of obsolescence.

Finally, a personally disconcerting limitation – in relation to data collection in the DRC – was participants' insistence on being paid as a precondition for participating in the study.[15] The researcher was unable to oblige this demand by participants. Hence, some prospective respondents declined or withdrew from participation in the study. Regrettably, *a few* of the respondents in this category – based on information supplied by research assistants – had extensive knowledge of the key issues that this study explored. Nonetheless, it can be safely assumed that their non-participation has not *substantively* undermined the study and its findings.

1.9 Conceptual clarification of key words

This study – in its title and through its chapters – utilised certain concepts/terms or key words, which this section defines, conceptualises and operationalises in the context of this study. These key words are natural resources, multinational corporations, conflict, conflict minerals and peace. This section does not explicate conflict transformation, as it is discussed extensively in Chapter Four.[16]

---

[15] I have captured this limitation in some detail earlier (in the section on data collection techniques). See footnotes 10 and 13 (*supra*, pages 16 and 18).
[16] See sections 4.2 and 4.3 of Chapter Four.

1.9.1 Natural resources

Natural resources, also called minerals, are raw materials that are generally regarded as "gifts of nature", that is, they are "present without human intervention", and are "differentiated from several other resources such as physical, human and social and institutional capital" (Basedau, 2005: 7). A crucial attribute of natural resources is their *economic value*. The World Trade Organization (2010: 46) defines natural resources as "stocks of materials that exist in the natural environment that are both scarce and economically useful in production or consumption, either in their raw state or after a minimal amount of processing". In other words, these naturally occurring substances, found in the earth's ecology, support life on earth and help to meet people's needs.

Natural resources are generally classified into two: *renewable* and *non-renewable* resources. Renewable resources refer to those substances that can be replenished, although they can be depleted. Examples include sunlight, trees, water and wood. Non-renewable resources (also called exhaustible resources) are those that cannot be replenished once they are depleted; in other words, they "exist in finite quantities, so every unit consumed today reduces the amount available for future consumption" (World Trade Organization, 2010: 47). Examples include fossil fuels and mineral deposits such as, *inter alia*, coal, cobalt, columbite-tantalite (coltan), copper, crude oil, diamonds, gold, natural gas, platinum, tin, uranium and zinc. These resources have *high* economic value, as they are used in the production of heavy machinery, jewellery, medicines, electronic gadgets, and nuclear weapons. This study conceptualises "natural resources" with reference to these substances with *high* economic value. It utilises the nomenclatures natural resources, resources and minerals interchangeably.

1.9.2 Multinational corporations[17]

It is difficult to define an MNC or a TNC. A small company may operate in "garages" or open several shops in a few geographically contiguous or non-contiguous countries. Does its mere presence in several countries qualify it as an MNC or a TNC? On the other hand, a large company may not operate in several countries but have affiliates or subsidiaries in a few countries. Does this company qualify as an MNC or a TNC? How many assets should a company control in or across states for it to qualify as an MNC or a TNC? The answers to these questions vary. Thus, variations in company attributes make it difficult to define MNCs/TNCs.[18] A survey of the literature reveals definitional imprecision and contending explanations. However, this study adopts a simple, operational or working definition of MNCs, drawing from a comparison of a few common definitions.

Spero and Hart (2010: 128) posit that a company "is not really multinational if it just engages in overseas trade or serves as a contractor to foreign firms." The authors provide a list of criteria that determine the "degree of multinationality of a specific firm" (Spero and Hart, 2010: 128). A company is deemed to be "multinational" if:

(i) it has "many foreign affiliates or subsidiaries in foreign countries";

(ii) it operates "in a wide variety of countries around the globe";

[17] See footnote 1 for other terms that are used to describe MNCs (*supra*, page 2). The variations in nomenclatures used to describe these economic entities point to nuanced differences in terms of the character of these entities.

[18] There is a slight difference between a traditional MNC and a TNC. Generally, an MNC identifies with a particular "home country" and its global operations may be co-ordinated from a centralised office (headquarters) in that "home country". On the other hand, a TNC does not identify itself with a particular "home country" but spreads its operations across the world in a bid to "achieve high levels of global integration, while simultaneously sustaining high levels of local responsiveness" (Hislop, 2009: 64). For a TNC, "there is only one economic unit, the world" (Drucker, 1997: 167). Schermerhorn (2009: 141, 387) defines a TNC as a firm that "tries to operate without a strong national identity"; it is "an MNC that operates worldwide on a borderless basis." While an MNC is attached to a state as its "home", the world is a TNC's "home". Schermerhorn (2009: 387) cites Nestlé as a good example of a TNC, whose products across countries hardly evokes the thought of a "registered Swiss company" as the manufacturer.

(iii) its "proportion of assets, revenues, or profits accounted for by overseas operations relative to total assets, revenues, or profits is high";

(iv) its "employees, stockholders, owners, and managers are from many different countries"; and

(v) its "overseas operations are much more ambitious than just sales offices, including a full range of manufacturing and research and development activities" (Spero and Hart, 2010: 128).

Spero and Hart (2010: 176) add that

> a firm can come to resemble a multinational corporation by negotiating international cooperation agreements (ICAs) with firms in other countries, instead of engaging in foreign direct investment. So the most important prerequisite for calling a firm multinational is no longer the ownership of overseas assets but rather direct participation in overseas value-added activities.

Most definitions of MNCs/TNCs reflect these criteria. For instance, Dunning (1992: 3) defines an MNC as "an enterprise that engages in foreign direct investment (FDI) and that owns or controls value-added activities in more than one country." UNCTAD defines a TNC as "an entity composed of a parent enterprise that controls the assets of entities in countries other than its home country plus the foreign affiliates of that parent enterprise" (Roach, 2005: 24). Similarly, Wilkins (2005: 45) defines MNCs as firms that operate across political boundaries in that they extend themselves over borders to do business outside the countries where they are headquartered. Goldstein (2004: 366) defines them as "companies based in one state with affiliated branches or subsidiaries operating in other states" (Goldstein 2004: 366). Other scholars (Buckley and Casson 1976: 1; Hood and Young 1979: 1) also define MNCs as economic entities that own, operate and control income-generating assets in more than one state.

This study adopts an operational definition, which views an MNC as an economic entity that is headquartered in a state but operates through affiliates/subsidiaries and controls income-generating assets in many countries.[19] MNCs operate in various sectors such as automobile, banking/finance/insurance, computer/information technologies, fast food, insurance, manufacturing, mining, pharmaceuticals, retail business, telecommunications, and services and tourism. Table 1.1 below provides a few examples of MNCs and their sectors.

Table 1.1: Examples of MNCs and their sectors of operations

Sector	Multinational Corporation
Automobile	General Motors, Honda Motor Company, Hyundai Motor Company, Nissan Motor Company Limited, Toyota Motor Corporation.
Banking/Finance and Auditing/Insurance	Accenture, Allianz, American International Group, Barclays PLC, Citigroup, Ernst & Young, HSBC, ING Group, KPMG, Procter & Gamble, Standard Bank, Standard Chartered PLC.
Computer/Information/Communications Technologies	Cannon, Dell, Hewlett-Packard, IBM, LG, Microsoft, Motorola, Samsung Electronics, Sony Corporation.
Fast Food	McDonald's Corporation.
Manufacturing and Household Items	Cadbury, Coca-Cola, General Electric, SABMiller, Unilever.
Mining/Mineral/Oil Exploration and Trade	Anglo-American PLC, Banro Corporation, Barrick Gold Corporation, BHP Billiton, Cabot Corporation, Chevron Corporation, ConocoPhillips, De Beers, ExxonMobil, Royal Dutch Shell.
Pharmaceuticals	Bayer, Glaxo Smith Kline, Pfizer.
Retail Business	Carrefour, Walmart.
Telecommunications	Etisalat, Mobile Telecommunications Network (MTN), Vodafone.
Services and Tourism	DHL, FedEx Express, Marriot Corporation.

Source: Compiled by the researcher.

[19] This study uses the conventional term, MNCs; references to TNCs are as contained in the sources consulted.

In view of this study's subject matter, it focuses primarily on MNCs in the natural resources or mining (also called extractives) sector. MNCs in this sector are divided into two categories: resource-extracting corporations and mineral-trading companies. Resource extracting companies are those that engage in exploration and exploitation of natural resources. Mineral-trading companies are involved in buying or selling of unprocessed or refined/processed minerals.

1.9.3 Conflict

Conflict of one sort or another is a recurring aspect of human and social relations. This is understandable, given the differences in values, attitudes, interests, orientations and goals of persons, groups and nation-states. Conflicts result from the clash of values between individuals, groups, or states. The inability of persons, groups or nation-states to reconcile their differences or the clash of values – in essence, their incompatibility – is the underlying basis of all conflicts. Thus, conflicts are indicative of a breakdown in interpersonal, inter-group, and inter-state relations. Conflict is characterised by "interaction at a level more intense than that of competition" (Schelling, 1980: 201). More often than not, the irreconcilability of divergent objectives or positions leads to frustration or aggression, which in turn manifests in or leads ultimately (but not always or necessarily) to violence or war – an extreme form of conflict (Schelling, 1980: 201).

Conflict ranges from intrapersonal, interpersonal, and group to national and international levels. In this study, however, conflict is contextualised within the wider societal perspective and, as such, its definition spans the group-international levels. It is instructive to note that "differences", "actor perceptions" and actor expectations are common to all conflicts regardless of their levels or the number of actors. These elements are a commonality in several definitions of conflict.

For example, Rubin, Pruitt and Kim (1994: 5) highlight the idea of divergence as a fundamental element of conflict in their definition: "[c]onflict means perceived divergence of interest, or a belief that the parties' current aspirations cannot be achieved simultaneously." Similarly, Burton (1988: 11) posits that "conflict describes a relationship in which each party perceives the other's goals, values, interests or behaviour as antithetical to its own." Glasl's (1994: 14-15) definition, which also foregrounds "actor perceptions", sees conflict as "an interaction between actors … in which at least one actor experiences differences in thinking/conception/perception and/or feeling and/or desire in relation to the other actor (actors), such that realization is hampered by another actor (the other actors)". Actor expectations may also engender conflict. According to Ropers (1995: 2-3), conflict "is a difference of interests as perceived by at least one party in an area of joint social interaction, resulting in a situation where the aspirations of the various parties cannot be realized to an equal extent."

These definitions allude to the variables that characterise conflict: actors, relationship, and differences or incompatibility of values and positions. In addition, parties in conflict have definite objectives, which they seek to achieve. This idea is a fundamental rationale for conflict and it is integral to the understanding of conflict, especially in the societal context (that is, intergroup and interstate levels). Accordingly, conflict – as utilised in this study – refers to an interaction, a clash or struggle between at least two actors arising from the incompatibility of values, ideas, preferences, and goals in which one actor seeks to neutralise, defeat or eliminate the other for the purpose of attaining (a) defined objective(s).[20]

With reference to social conflict, the actors use a combination of means including propaganda and violence to defeat the opponent and to achieve their aims. The goals, which a party seeks to achieve, could be tangible (such as the acquisition of territory or natural resources) or intangible (such as control, domination or prestige). This study utilises conflict with reference to organised violence, that is, *armed conflic*t. The use of lethal weapons is a distinctive feature of this type of conflict. Throughout history, organised violence – the dominant form in which social conflict is manifested – has been known to unleash a plethora of deleterious consequences ranging from colossal losses of lives and the destruction of infrastructure to extensive human displacement (in the form of refugee flows), psychological trauma, and social dislocation.

1.9.4 Conflict minerals

Conflict minerals, also referred to as conflict resources or "blood minerals", are natural resources that are extracted in conflict zones and which play a role in conflict dynamics. They are sometimes referred to as "*blood* minerals" because of the human death toll that accompanies the militarised extraction of these resources in conflict zones. Global Witness (2012: i. d.) describes conflict minerals as natural resources "used by armed groups to fund violence and insurrection." However, national armies (including those of invading countries)

[20] Although this study examines a conflict that has been destructive, it should be noted that conflict is not necessarily a negative dynamic for it can engender positive changes and development in a relationship or in a system. For instance, Anstey (1993: 17) argues that conflict can be healthy, as it "energises the problem-solving capacities of people, stimulates new ways of interacting, and promotes the engagement of parties around issues that might otherwise have been ignored or dealt with in a hostile manner." However, it is important to add that conflict serves this "constructive" end only if it is handled properly, lest it engenders the negative consequences often associated with it. Having said that, "[s]ocial scientists are divided on the question of whether social conflict should be regarded as something rational, constructive, and socially functional or something irrational, pathological, and socially dysfunctional" (Dougherty and Pfaltzgraff, 1981: 187).

may also use revenue derived from the sale of these resources to fund their war efforts. Global Witness (2012: i. d.) identifies four main natural resources that are being extracted from the DRC and which fit this definition: tin (cassiterite); tungsten (wolframite); tantalum (coltan); and gold.[21] Collectively, these four natural resources are called "3TG minerals". Rising prices for each of these minerals in international markets gave "armed groups in the eastern Congo all the more incentive to target or keep hold of the mines" (Global Witness, 2012: i. d.). Illicit exploitation and trade in these minerals, which have the electronics and high technology industries as their main destinations, provide armed groups – national armies, rebel movements, and militias – with financial resources that enable them to sustain their war operations. The complicity of profiteering networks in the DRC conflicts is predicated on their connections to these minerals that are obtained from the country's conflict zones.[22]

1.9.5 Peace

In everyday usage, peace refers to the absence of war or violence. In peace and conflict studies however, the conception of peace, as "the absence/reduction of violence of all kinds" (Galtung, 1996: 9) is generally assumed to be flawed. This conception is indicative of *negative peace* – a context that may mask fundamental problems that place societies on a precipice. For example, in the absence of war, economic and social systems may unleash dehumanising impacts on people – a condition that Assefa (1993: 3) describes as "killing

---

[21] These minerals are used in the manufacturing of mobile phones, laptops, and other electronic gadgets. For example, "[t]in is used as a solder in circuit boards; tantalum goes into capacitors, small components used to store electricity; tungsten is used in the vibrating function of mobile phones; gold is also used by the electronics industry – as a coating for wires" (Global Witness, 2012: i. d.).

[22] The high-tech and electronics industries, mainly companies based in Asia, Europe and North America, are the main users of these minerals, which are sourced from the DRC thus implicating them in the country's conflicts. A key intervention to address the phenomenon of "conflict minerals" was the enactment of the Dodd-Frank Wall Street Reform and Consumer Protection Act in the United States (US). Section 1502 of the Act requires "companies to disclose their use of Congolese conflict minerals" and empowers the US Securities and Exchange Commission to provide oversight which ensures that US companies do not source minerals from conflict zones in the DRC (Global Witness, 2012: i. d.).

people without the use of the gun”. Negative peace relates more or less to what is described in common parlance as “peace of the graveyard” – an illusory sense of peace.

By contrast, *positive peace* refers to “a cooperative system beyond ‘passive peaceful coexistence’” (Galtung, 1996: 61). Positive peace implies the “creation of “social relationships that contribute to mutual well-being and human flourishing”; it entails “conditions in which people can realize their potential” (Miall, 2011: 2078). Integral to this conception of peace are freedom from oppression, gender equality, respect for human rights, and “the creation of positive associations and healing of social injustices” (Miall, 2011: 2080). Positive peace addresses the relational aspects of human existence, with strong emphasis on the promotion of humane values (which may not appeal to scholars and adherents of *realpolitik*). This is the sense in which peace is conceptualised and operationalised in this study. Assefa (1993: 4, 17, 48) identifies three broad elements of this conception of peace: the constructive transformation of conflictual relations into cooperative relationships; reconciliation that culminates in healthy interdependent relationships; and justice. It cannot be gainsaid that these elements are important in sustaining peace in stable societies. More importantly, they are crucial to building peace in societies torn apart by, or recovering from conflict. In sum, these elements are embedded in the conflict transformation approach that this study applies to its explication of the DRC’s conflicts and peacebuilding process.

1.10 Structure of the study

This study is organised into eight chapters. Chapter One is an introduction to the study. It provides a general background and an overview of the study. The chapter includes an outline of the research problem, a statement of the research hypothesis, objectives of the study, and research questions. It also explicates the significance of the study, the study's methodology and research design, its scope as well as its methodological and practical limitations. Finally, the preceding section clarified key concepts/terms/words used in this study.

Chapter Two undertakes a review and comparison of literature on the nexus between natural resources and conflicts through an interrogation of the 'resource curse' thesis. It examines the contending narratives that corroborate and rebut the thesis. The chapter probes the potential and actual impacts of resource endowment, exploitation and trade on conflict. The essence is to engage critically with extant literature on the correlation between natural resources and conflicts. In doing so, the chapter foregrounds the intervening variables in the resource-conflict nexus. The analysis in Chapter Two underscores a nuanced understanding of the resource-conflict link and provides a contextual framework for unpacking MNCs' connections to natural resources and conflicts.

Chapter Three discusses theoretical and analytical perspectives on conflict and MNCs. It examines the liberal and radical/dependency paradigms on MNCs, especially their arguments on the roles and impacts of MNCs in host environments. The premises and conclusions of the liberal and radical schools provide broad analytical parameters for understanding MNCs' roles in the public sphere, especially in conflict zones. The chapter examines the main trends of corporate behaviour in conflict environments, highlighting implications of the behavioural forms. It notes that the significance of corporate actions in conflict zones is their conflict transformation potential.

Chapter Four analyses conflict transformation, which encapsulates the dialectics of conflict, to show the nexus between corporate actions and the trajectories of conflicts and prospects for peace. While corporate behaviour shapes conflict dynamics in host environments, the corporate governance regime in host countries (among other factors) influences corporate behaviour itself. In line with this realisation, the chapter discusses the dominant corporate governance regime types, namely the contractarian and communitarian paradigms, and their implications for MNCs' public roles. This study's theoretical framework is situated in the discussion of corporate governance regimes in the fourth chapter.

Chapter Five is an overview of the DRC, the study's location. It presents the country's history and highlights its geo-strategic importance in central Africa. The chapter also provides a sketch of the DRC's vast mineral wealth, which gives the country the label of '*scandale géologique*' (that is, geological scandal). Furthermore, Chapter Five discusses the role of enormous resource endowment and the scramble for the DRC's minerals in the country's postcolonial traumas, especially in the context of the First and Second Congo Wars. It examines the imbrication of natural resources in the conflicts and the creation of a war economy in the process. In doing so, the chapter illustrates the link between natural resources and conflict dynamics, especially in terms of conflict perpetuation and the prospects for transformative change.

Chapter Six provides *broad* explications of corporate behaviour in the DRC. As a prelude to interrogating the strategic behaviour of corporate actors, it presents the profiles of *selected* MNCs with reference to their home countries, their main activities in the minerals sector and connections to the DRC. In addition, the chapter analyses a key international response to an aspect of corporate behaviour, namely the UN investigation of actors' involvement in the DRC's conflict zones. It discusses the forms of corporate behaviour and teases out the contextual factors that underpinned each form of behaviour thus explicating the study's hypothesis.

Chapter Seven undertakes a statistical presentation and analysis of data obtained from the study's location. It discusses the roles of MNCs in the DRC's conflicts and peacebuilding process from respondents' perspectives. In doing so, the chapter contextualizes the activities of MNCs in DRC against the backdrop of the typology of corporate behaviour in conflict zones. It also discusses the issues that emerge from the review of literature, theoretical frameworks, paradigmatic perspectives and survey findings. Based on research findings, the chapter makes analytical deductions and presents a prognosis on corporate behaviour in the emerging post-conflict epoch in the DRC.

Chapter Eight is the concluding chapter. It presents a summary of the study and draws logical conclusions from research findings. The conclusions engender salient recommendations on natural resource management and corporate governance in the DRC. Beyond the DRC, the recommendations seek to inform public policy choices and practices in resource-rich countries plagued by or emerging from conflict and in those striving to circumvent the slide into the vortex of resource-related political instability.

CHAPTER TWO

LITERATURE REVIEW: INTERROGATING THE INTERFACE BETWEEN NATURAL RESOURCES AND CONFLICT

2.1 Introduction

As noted in the preceding chapter, this study explores the role of resource-seeking corporations in conflict zones, using the DRC as a case study. The study's focal point of analysis underscores the connections between natural resources, business and conflict. Although the literature on conflict is expanding, the role of big business in conflict (including the peacebuilding process) has been largely ignored until recently. However, the reality of corporate actors' complicity in conflict has engendered scholarly inquiries into the nexus between business and conflict. Burgeoning analyses of the corporate-conflict nexus highlight the economic dimension of war. Across the world, there are conflicts in which natural resources have played prominent roles. Conflicts in which resources play key role often draw in profiteering networks whose activities deliberately or inadvertently complicate, exacerbate and perpetuate such conflicts.

The centrality of resource-extraction and commodification in the sustenance of conflicts partly informs the contested 'resource curse' thesis. Moreover, corporate behaviour in resource-bearing but conflict-prone areas potentially reinforces the argument for or against the notion of 'resource curse'. Therefore, the roles of corporations in zones of conflict feature prominently in the 'resource curse' discourse in particular and in the analyses of the political economy of war in general. However, in order to understand the interface of natural resources, business and conflict, it is necessary to tease out the intricate connections between natural resources and conflict. The next section addresses this critical component of the study.

2.2 Review and comparison of relevant literature

Arising from the background presented above, the central focus of this chapter is to review and compare literature on the interface between natural resources and conflict. Specifically, the chapter interrogates the 'resource curse' thesis by engaging with the arguments that either underpin, modify or refute the thesis. The intention here is not to align this study with or against scholarly arguments on the 'resource curse' thesis, but to tease out aspects of the debate that furnish insights into the nexus between natural resources and conflict. The analysis that follows seeks to show the dynamic and intricate link between natural resources and conflict. Thus, the aim of this review is to advance an explanatory framework that engenders a nuanced understanding of the intricate relationship between the natural resources and conflicts.

2.2.1 The 'resource curse' manacle: the nexus between natural resources and conflict

> One of the most puzzling and perplexing discoveries of modern scholarship is a paradoxical phenomenon referred to as the resource curse (Duruigbo, 2005: 5).

> The link between natural resources and conflict is probably as old as human settlement (Alao, 2007: 1).

Since the late 1990s, there has been a growth in the literature focusing on the 'resource curse' syndrome. The 'resource curse' thesis is located in the body of political and economic literature that explores the link between natural resource endowment and social and economic development.[23] Specifically, the thesis posits that a negative relationship exists between resource abundance and social, political and economic development.

[23] For a survey of studies on the resource curse, see Rosser (2006a, 2006b). Kolstad and Wiig (2009) provide an effulgent description of the political economy models on the resource curse.

Prior to the popularisation of the 'resource curse' thesis, "the conventional wisdom concerning the relationship between natural resource abundance and development was that the former was advantageous for the latter" (Rosser, 2006a: 7). Higgins (1968: 222) had argued that the "possession of a sizable and diversified natural resource endowment [was] a major advantage to any country embarking upon a period of rapid economic growth." In the 1970s and 1980s, the overarching view in the literature was that diversified natural resource endowment engendered rapid economic growth. Citing Australia, Britain and the United States as examples, neoliberal scholars and development economists such as Drake (1972), Krueger (1980), and Balassa (1980) argued that resource abundance could enhance a country's transition from underdevelopment to industrial development (Rosser, 2006a: 7).[24] This argument was predicated on the logic that natural resources provided "domestic markets and investible funds" necessary for industrial development (Balassa, 1980: 2). The dominant view at the time was that resource abundance had stimulated economic development in the advanced countries and that a similar scenario was expected to unfold in resource-rich, less developed countries. However, empirical evidence in several resource-rich developing countries belied this argument.

As Rosser (2006: 7) notes, since the late 1980s a sizable literature has challenged the conventional wisdom of the 1970s and 1980s. The compelling evidence – anchored substantially on case studies from Africa – suggested that natural resource abundance was a curse for developing countries. Maconachie and Binns (2007: 104) contend that "[g]rowing evidence suggests that many African countries with significant natural wealth have actually

[24] This researcher is of the view that a note of caution is apposite here: it is reductionist and simplistic to attribute the industrial development of these centres exclusively to the possession of natural resources. Other factors such as human capital formation and investment in science and technology are equally relevant. It should be borne in mind that the development of former colonial powers or metropoles also derived partly from the exploitation of territories in the Global South.

reaped limited rewards, instead experiencing underdevelopment, corruption, political instability, and in some cases, violent conflict." Scholars cite resource-rich countries such as Angola, the DRC, Equatorial Guinea, Gabon, Nigeria, and Sierra Leone as examples to buttress this position.

These contending views on the nexus between natural resource endowment and development have engendered robust scholarly debate by economists, political scientists and policy makers (Bulte and Brunnschweiler, 2012). This debate has spawned a vast body of literature on the 'resource curse' thesis. The literature encompasses "a plethora of perspectives on the resource curse" (Rajan, 2011: 618) even as it highlights "important areas of disagreement and fragmentation within the research community" (Kolstad and Wiig, 2009: 4). An examination of the literature suggests that certain broad scholarly positions encapsulate the various narratives and reflect the contentions around the subject. For example, the literature shows that there is some scepticism over the existence of the 'resource curse'. Brunnschweiler and Bulte (2008) proffer cross-country evidence to substantiate their claim that the 'resource curse' is a "red herring". Yet amidst doubts over the existence of this phenomenon, "empirical evidence provides some of the strongest support" for the prevalence of the 'resource curse' (Duruigbo, 2005: 7).

At this juncture, it is instructive to note that the literature on the 'resource curse' phenomenon consists of three strands that enhance the understanding of the pathologies ascribed to it. The first strand examines the relationship between abundant natural resource endowment and economic performance. In the second component are analyses that focus on the relationship between mineral resource wealth and political regimes. The third strand explores the interface between natural resource abundance and (civil) conflict (Rosser, 2006a: 8).

Scholarly works on the 'resource curse' generally fit into one component, or two, or at times, all three strands.

Initial attempts to explain the 'resource curse' syndrome interrogated the impact of natural resource wealth on a state's economic performance. Ross (1999: 297) argues that "states with abundant natural resource wealth perform less well than their resource-poor counterparts", but adds that "there is little agreement on why this occurs". Ross' argument is based on the empirical evidence that resource-rich African countries (which are exporters of primary commodities) have lagged behind resource-poor countries in East Asia and Latin America in terms of economic growth. For example, natural resource-poor countries such as Singapore and South Korea have outperformed resource-rich countries in Africa. Ross (1999: 300) refers to a 1984 study of thirty African countries, which found a negative correlation between economic performance and mineral exports.

Similarly, a study sponsored by the World Bank during the 1973-1982 boom years noted that mineral-exporting countries "performed less well than their resource-poor counterparts" (Ross, 1999: 300).[25] This outcome is attributed to economic and political variables. On the economic front, factors such as "a decline in the terms of trade for primary commodities, the instability of international commodity markets, [and] the poor economic linkages between resource and nonresource sectors" (Ross, 1999: 298) impede economic growth in resource-rich African countries. Besides economics, political explanations of the 'resource curse' are located in variables such as poor governance, weak state institutions, and the pernicious influence of elite or interest groups. A combination of these economic and political variables

[25] Several studies, using datasets from various countries, found that resource-rich countries experienced, in some cases, negative growth and/or slower growth rates than their resource-poor counterparts. For details of these findings, see Nankani (1980), Wheeler (1984), Alan Gelb and associates (1988), Auty (1993), and Atkinson and Hamilton (2003).

makes it difficult for countries to earn considerable revenue from their mineral wealth and undermines their ability to provide public goods. The net effect is that natural resource abundance does not stimulate or contribute to economic growth and development.

Using large datasets obtained from a diverse group of resource-rich countries, Sachs and Warner (1997) as well as Leite and Weidman (1999) confirm the negative correlation between enormous natural resource endowment and economic performance. Sachs and Warner's (1997) study uses data from ninety-five countries and covers a twenty-year period (1970-90).[26] As Sachs and Warner (1997: 3) fittingly note, the "negative association between resource abundance and growth in recent decades certainly poses a conceptual puzzle. After all, natural resources increase wealth and purchasing power over imports, so that resource abundance might be expected to raise an economy's investment and growth rates as well." This expectation remains largely unfulfilled, especially in resource-rich less, developed countries (LDCs). In many economies, resource abundance has led to the concentration of labour and capital in natural resources rather than manufacturing or service sectors. A shrinkage of the secondary (that is manufacturing) and tertiary (service) sectors as a result of natural resource abundance results in "socially inefficient decline in growth" (Sachs and Warner, 1997: 7) even as governments concentrate on resource rents which may be inadequate, or embezzled.

Leite and Weidman's (1999) study extends Sachs and Warner's by using a simple analytical model which illustrates the linkages between natural resources, corruption and economic growth. Moreover, Leite and Weidman (1999) distinguish between the *direct* and *indirect* effects of natural resource abundance on economic growth. Direct effects relate to the

[26] It is apt to note here that Sachs and Warner's study showed that the negative relationship between natural resource abundance and economic growth was statistically significant even after controlling for intervening variables such as per capita income, investment rates and trade policy.

negative implications which natural resource boom may have for non-resource sectors (such as alluded to above). Indirect effects pertain to occurrences such as rent-seeking, poor institution building and corruption. As cases from several African countries demonstrate, "windfall gains" from the natural resource boom may precipitate and entrench rent-seeking behaviour, engender pervasive corruption and "may cause a 'feeding frenzy' in which competing groups fight for the natural resource rents thereby inefficiently exhausting the public good" (Leite and Weidman, 1999: 9). Where rent-seeking behaviour is prevalent, there is no incentive for public officials to invest in "growth-supporting public goods" (Leite and Weidman, 1999: 9). This scenario may lead to slower, or in fact, negative economic growth with little or no prospect for economic development.

As noted earlier, analyses of the 'resource curse' have also focused on the relationship between natural resource wealth and political regimes. In this regard, a number of scholarly works suggest that there is a direct relationship between natural resource abundance and low levels of democracy (Rosser, 2006a: 10). For example, Wantchekon (1999, in Rosser, 2006a: 10) used a dataset from 141 countries between 1965 and 1990 to explore this relationship. The findings suggested that "a one per cent increase in natural resource dependence … increased the probability of authoritarian government by nearly eight per cent" (Rosser, 2006a: 10). In addition, Wantchekon's (1999) study found that "countries that were rich in natural resources were more likely to experience failed or slow transitions to democracy" (Rosser, 2006a: 10). According to Wantchekon (1999: 2):

> natural resource dependence and rentier economies tend to generate authoritarian governments and socio-political instability. The empirical observation is particularly valid in Africa. All African petrostates or resource dependent countries have authoritarian governments or have experienced a very slow process of political reforms. These include Algeria, Nigeria, Libya, Gabon, Cameroon and the former Zaire. On the other hand, besides South Africa, transition to democracy has been successful

> only in resource-poor countries such as Benin, Mali, Senegal, and Madagascar.[27]

Based on a "simple model of electoral competition in a rentier economy", Wantchekon's (1999: 20) theoretical and empirical findings "suggest that rentier economies tend to generate incumbency advantage, undermine democratic governance and sociopolitical stability". His study notes that hallmarks of rentier economies "are the lack of transparency and the absence of rules in the process of rent distribution which depends on the level of centralization of the government" (Wantchekon, 1999: 4). A lamentable offshoot of the centralisation of power is the absence or weakness of rule of law, which allows incumbents to consolidate their positions, entrenches patronage, creates one-party dominance and undermines democracy. Moreover, "incumbency advantage or [one-party] dominance could induce the opposition to resort to political violence to compete for political power and therefore generate political instability and authoritarian governments" (Wantchekon, 1999: 20). As Wantchekon (1999: 5) argues, the centralisation of power and weak rule of law tend to produce one-party dominance and breakdown of democracy in resource-rich rentier states. Based on research findings, he concludes that natural resource abundance is a crucial determinant of regime types in Africa (Wantchekon, 1999: 20). While Wantchekon's argument is plausible, it should be added that the political environment or regime type also influences the management of natural resources.

A related study (Jensen and Wantchekon, 2004: 816-841) that focuses exclusively on Africa corroborates Wantchekon's (1999) findings, which related to the period between 1965 and 1990. The significance of Jensen and Wantchekon's (2004) study is that it focuses on the post-third wave democratisation period. However, the authors did not find any significant

[27] It may be argued that Madagascar no longer fits into this cluster of countries in the aftermath of the political crisis that has engulfed the state.

shifts from the findings of the previous study. They note that while nearly all resource-rich African countries were authoritarian between 1965 and 1990, “the correlation between political regimes and resource dependence became more evident after the third wave of democratization” even as attempts at democratisation in resource-rich countries such as Algeria, the DRC and Sierra Leone plunged the countries into civil wars (Jensen and Wantchekon, 2004: 818). Drawing from the data for Wantchekon’s (1999) earlier study, the authors then “constructed a number of time-series cross-sectional regressions” in order to “test the implications of natural resource dependence on political regimes” (Jensen and Wantchekon, 2004: 824). Their findings “show that natural resource-dependent economies (a) were more likely to be authoritarian, (b) exhibit higher levels of government spending, (c) are associated with worse governance, and (d) were more likely to lead to breakdown in democracy after the third wave of democratic transitions in the 1990s” (Jensen and Wantchekon, 2004: 817). What stands out in both studies (Wantchekon, 1999; Jensen and Wantchekon, 2004) is that resource-rich African countries tended to be more authoritarian or less democratic than their resource-poor counterparts.

From a political economy perspective, the greatest number of scholarly works on the ‘resource curse’ has examined the relationship between natural resource abundance and conflict. Collier and Hoeffler (1998, 2001, 2002, 2004, 2005) have conducted the most prominent studies in this regard. In a seminal study, Collier and Hoeffler (1998) examine the relationship between natural resources and conflict using a comprehensive dataset from ninety-eight countries and twenty-seven civil wars. They found that natural resource abundance is a strong and significant determinant of the probability, onset and duration of civil wars. Their analysis of rebellion strikingly captures certain economic fundaments. For instance, government and rebel movements need revenue to finance their operations. The capacity of warring parties to attain their strategic objectives depends on their financial resources. A taxable base – which natural resource abundance provides – is necessary for warring parties to reward their supporters in the event of a victory. Moreover, without a doubt, there are costs and (anticipated) benefits associated with conflict. As Collier and Hoeffler (1998: 567) note, "the probability of civil war and its duration are a function of the gains from rebellion, made up of the probability of rebel victory and the gains from victory …, and the costs of rebellion, made up of the opportunity costs of conflict and the cost of coordination." The availability of and access to natural resources often determine the gains and opportunity costs associated with rebellion. A regression analysis by the authors showed that the effect of natural resource abundance on civil wars is "quite strong" (Collier and Hoeffler, 1998: 567) thus reinforcing the idea of a curse. It is worth noting that some of the analyses in the literature on natural resource management refine, critique or disprove this idea using different analytical frames.[28]

Collier and Hoeffler's (2001) "greed and grievance" thesis provided the intellectual stimulant for subsequent analyses of the nexus between natural resources and conflict. The main idea in the *greed* dimension of the thesis is that belligerents in armed conflicts are motivated by economic benefits. In this context, natural resources provide the requisite finance and motive for persons to orchestrate or engage in violence. *Grievance*, on the other hand, encapsulates the idea that people rebel over issues that are linked inextricably with their identity: social class, ethnicity, and religion. Hence, social and political exclusion, inequality, ethnic polarisation, and religious fractionalisation would constitute "grievance" motives for conflict. With reference to the greed versus grievance debate, Maconachie and Binns (2007: 104) make an important observation:

[28] For example, see Kenny (2010), Cavalcanti *et al*. (2011), Haber and Menaldo (2011).

> In studies concerning the political economy of war, the literature remains divided over the relative importance that each of these causal factors assumes in the incidence of conflict. While the 'greed' theory argues that looting and resource capture are the prime motives for rebel actors, proponents of the 'grievance' theory maintain that justice-seeking for the marginalization of social groups remains the key factor leading to violent rebellion.

Collier and Hoeffler's (2001) study contributes to this debate by arguing that "grievance" is not a significant motivation for conflict while it provides robust arguments in support of the "greed" model. In the authors' view, "the true cause of much civil conflict is not the loud discourse of grievance but the silent force of greed" (Collier and Hoeffler, 2001: 101). Conflict risk increases due to greed on the part of elite groups within resource-rich weak states. Apart from skewing resource distribution in their favour, elite groups may further economic agendas and harness economic resources through recourse to violence. Greed (which may manifest in the desire for power or for control of economic resources) on the part of the elite may create grievances which rebel groups may then exploit or use to justify rebellion. Where rebel groups extract mineral resources to finance rebellion, greed may replace grievance as the key motivation. In some instances, parties may prolong a conflict as long as they control economic resources or have access to mineral resources.[29] Collier and Hoeffler's strong argument in support of the "greed" model also assumes that grievance produces further greed.

In another study that analyses 46 wars, Collier and Hoeffler (2002) examine the impact of natural resource abundance on different forms of domestic conflicts, which they categorise into secessionist and non-secessionist. The authors contend that the lure of natural resources increases the risk of civil wars. According to the authors,

[29] This point applies in the context of this study (*infra*, page 284).

> when we take civil wars in their entirety, … natural resources play a powerful and dangerous role, greatly increasing risk. There are two major reasons why natural resources might be a powerful risk factor – the opportunity which they provide to rebel groups to finance their activities during conflict and the lure of capturing resource ownership permanently if the rebellion is victorious (Collier and Hoeffler, 2002: 12).

It is noteworthy that the authors view natural resources as a very strong but not necessarily the only motivation for a political community to fight a war of secession. A political community may also engage in violence (not necessarily an attempt at secession) in order to make a case for an increase in its share of mineral wealth. Using a regression analysis, Collier and Hoeffler (2002) show that natural resources increase the risk of secessionist and non-secessionist conflicts. However, they state that secessionist wars are three times more likely to be associated with natural resources than non-secessionist ones. Hence, Collier and Hoeffler (2002: 8) make this observation: "natural resources are usually geographically concentrated in a particular part of a country, so countries that are heavily dependent upon natural resource exports are likely to be prone to secessionist movements." The authors conclude that "secessionist movements that are able to scale-up to being organizations with a serious political or military capability are likely to occur in rich regions and contain an element of a 'resource grab'" (Collier and Hoeffler, 2002: 27).

A subsequent study by Collier and Hoeffler (2004) undertakes a regression analysis of 98 countries and 27 civil wars. Their 2004 study "considerably extends and revises" their earlier (1998) work. According to Collier and Hoeffler (2004: 565), analyses of the resource-conflict nexus ought to consider the "opportunities for financing rebellion" which are derived from "extortion of natural resources, donations from diasporas, and subventions from hostile governments." The inclusion of other non-natural resource variables (such as donations and subventions) in the analysis refines Collier and Hoeffler's earlier argument. Nevertheless, Collier and Hoeffler's (2004) study shows a very strong correlation between resource extraction (for example diamonds in West Africa and timber in Cambodia) and conflict, while "donations from diasporas" and "subventions from hostile governments" have considerably lower significance in conflict episodes. Furthermore, the authors acknowledge that natural resources are linked to other factors that may precipitate conflict: corruption, economic mismanagement and poor public service provision (Collier and Hoeffler, 2004: 567). That said, the authors conclude that the control of rents from natural resources provides incentives and opportunities for conflict. Still, the pertinence of the natural resource element remains high in the 2004 study.

In a later study, Collier and Hoeffler (2005) revisit and critique the results of their previous studies, but the role of natural resources in conflicts remain salient in their analysis. The authors posit that natural resources "generate the worst sort of civil wars" (Collier and Hoeffler, 2005: 627). They also offer a nuanced perspective of the resource-conflict nexus, noting the role of intervening variables in conflict initiation, intensity and duration. Remarkably, their analysis moves away from an entirely pejorative view of natural resource abundance as the authors state that "[l]arge resource rents are not intrinsically a curse" but "have the potential to accelerate peaceful development" as in Botswana (Collier and Hoeffler, 2005: 627). In the authors' view, that potential underscores a nuanced understanding of the impact of natural resource abundance. This is more so as large resource rents may precipitate or prolong conflict in some cases but not in other instances. Hence, Collier and Hoeffler (2005) suggest that other pertinent variables (besides natural resource abundance) should be considered in the analysis of conflict. In Africa, ethnic configuration, elite interests, and the political environment/regime type are some of the important factors that are imbricated in conditions of natural resource abundance. These factors combine with large resource rents to produce specific and differentiated outcomes. Therefore, the authors suggest a political economy approach, which encapsulates the pertinent factors, to exploring the relationship between natural resources and conflict. Nevertheless, the authors restate a number of key findings in their studies since 1998. They reiterate that: (i) natural resource abundance can induce patronage politics, which in turn engenders tensions and conflict; (ii) natural resources can finance conflict; and (iii) resources can motivate conflict, especially secessionist wars (Collier and Hoeffler, 2005: 632).

Although the works of Collier and Hoeffler feature prominently in the literature on the 'resource curse' thesis, there are other analyses (in economics, political science and geopolitics) that illustrate, or confirm, or challenge Collier and Hoeffler's findings. Wexler (2010) suggests possible explanations for the link between resource abundance and conflict. One explanation is that natural resources make a state potentially economically viable and may induce secessionist attempts. Another explanation is that greed on the part of foreign actors, namely states and corporations, "may instigate civil conflict to facilitate resource extraction".[30] In this case, "outside actors prey upon or foment internal difficulties in order to overcome barriers to or to decrease expenses associated with resource extraction" even as "dependence of outside states and corporations on the natural resource may create or exacerbate inequalities that they seek to remedy through conflict" (Wexler, 2010: 1724). These explanations speak to the role of natural resources in *instigating* conflict.

Other explanations suggest that natural resource abundance prolongs civil conflicts. As Wexler (2010: 1724) notes, "[n]atural resources can provide the funds rebel forces need to keep fighting" and rebel movements "may lack interest in successfully negotiating peace so

[30] Wexler's reference to the link between resource-seeking corporations and civil conflict is instructive in the context of the subject matter of this study.

that they can continue looting." Although Wexler (2010: 1725) posits that factors such as "ethnic divisions and governance structures" matter a great deal in civil strife, the author – in agreement with Collier and Hoeffler – argues that "much evidence supports the influence of resource curses in both the initiation and duration of civil conflict". Wexler refers to Bannon and Collier's (2003: 7) empirical conclusion to substantiate his position: "[n]early 50 armed conflicts active in 2001 had a strong link to natural resource exploitation, in which either licit or illicit exploitation helped to trigger, intensify, or sustain a violent conflict." Wexler (2010: 1725) cites the exploitation of cassiterite, coltan, copper, diamonds, gold, and timber to illustrate the resource-conflict link, which typifies the 'resource curse'.

Rustad and Binningsbø (2012: 531-546) unpack the link between natural resources and conflicts using three mechanisms: *distribution mechanism*; *finance mechanism*; and *aggravation mechanism*. Under the first mechanism, resource-distribution may spur conflict, for example where rebel movements fight the government over "(perceived) unfair access to natural resources, unsatisfactory distribution of benefits from natural resources, and lack of control over such resources" (Rustad and Binningsbø, 2012: 534). In this case, rebel movements' motivation to use violence is to improve their share, control of, or access to natural resources while the government's is to retain control over resources.

According to Rustad and Binningsbø (2012: 534), the *distribution mechanism* is illustrated in conflicts over oil in Nigeria's Niger Delta and rural landlessness in El Salvador. The *finance mechanism* refers to the context where natural resources provide "financial power to wage violent conflict, both for rebels and governments" (Rustad and Binningsbø, 2012: 534). Natural resource revenue is an important economic asset for rebels; it enables them to procure weapons and finance logistics associated with civil wars. Natural resources may provide governments with "revenues to finance the army and their counter-insurgency strategies" (Rustad and Binningsbø, 2012: 535). The role of high-value natural resources such as diamonds in conflicts in Angola, Liberia and Sierra Leone illustrates the *finance mechanism*.[31]

Rustad and Binningsbø (2012: 535) use the *aggravation mechanism* to describe the indirect role of natural resources in conflicts. According to the authors, this mechanism

> includes conflicts where natural resources were less directly involved, but still *aggravated* the course of the conflicts by adding fuel to an already troublesome situation. The aggravation mechanism contains various roles played by natural resources in conflict, but these roles clearly differ from those defined as distribution or financing mechanisms (Rustad and Binningsbø, 2012: 535) [emphasis in the original].

Examples of situations that fit this mechanism include "proximity to (potential and real) pipelines, knowledge of natural resource reserves and environmental degradation" (Rustad and Binningsbø, 2012: 535). The authors cite cases that illustrate this mechanism: South Ossetia and Abkhazia conflicts in Georgia over future oil revenues and location of oil pipelines; and Russia's resolve to control Chechnya and suppress rebellion in the region in order to protect vital oil pipeline routes (Rustad and Binningsbø, 2012: 535).

Rustad and Binningsbø's (2012) analysis not only provides insights into the different roles of natural resources in conflicts but also highlights an important point: the three mechanisms are not mutually exclusive. They can all be at play in a typical conflict situation. For example, there are violent disagreements in relation to oil resources in Nigeria's Niger Delta

[31] The general notions of "conflict minerals" or "conflict commodities" and the specific notions of "conflict diamonds" or "blood diamonds" derive from the realisation of the conflict-financing significance of natural resources. A 2006 movie entitled, *Blood Diamond*, popularised these notions. The movie's title is based on the characterisation and reality of diamonds being extracted from Africa's conflict zones and sold to finance deadly conflicts whereby warlords and MNCs derive immense profits in the process.

(*distribution mechanism*). Militants "illegally tap oil from pipelines to finance violence" (*finance mechanism*). Oil extraction results in environmental degradation, which engenders grievances and fuels violence, that is, *aggravation mechanism* (Rustad and Binningsbø, 2012: 533).

Furthermore, Le Billon's (2008) analysis of "diamond wars" suggests that natural resources not only finance conflict but also shape the motives of violence as well as the behaviour of warring parties (Le Billon 2008: 345). In the discussion of the relationship between natural resources and conflict, Le Billon (2008) uses an analytical framework that goes beyond the basic assumption about natural resource abundance and stresses the importance of flows, location and the political economy of resources. The framework deals with three different but similar and complementary concepts: 'resource curse', resource conflicts, and conflict resources. The concepts are similar in that they carry the idea that natural resources play certain roles in conflicts; their definitions portray the differences while the possibility of these concepts being at play in the same conflict situation demonstrates their complementarity. Table 2.1 depicts the analytical framework:

Table 2.1: Le Billon's analytical framework on geographies of resource wars

Conflict factors	Key concepts	Relations between resource and conflict	Major geographical dimensions	Potential variables and measurements
Vulnerability	Resource curse	Resource sector undermines governance and economic performance, making violent conflict more likely	Peripheralization and uneven development: resource dependence shaping political economy and mode of governance	• Evolution of resource abundance and dependence (annual variations in export and fiscal revenues) • Ownership structure and mode of exploitation (private vs. parastatal, artisanal vs. industrial) • Socioeconomic indicators (spatially disaggregated measures of poverty; capital flight and foreign direct investment)
Risk	Resource conflicts	Resource sector motivates disputed processes of allocation, making violent dispossession and resistance more likely	Territorialization: spatial control of resource central to cost–benefits allocation and identity mobilization	• Conditions of access to resources (legal status and practices) • Instances of conflicts and violence (population displacement, demonstrations, repression, homicides) • Processes of identity formation and mobilization (sectarian institutions and voting patterns)
Opportunity	Conflict resources	Resource sector rewards belligerents, making the escalation and prolongation of violent conflict more likely	Interconnection: ease of access to resource revenues crucial in sustaining conflicts	• Characteristics of the resource (price and weight) • Regulatory environment (level of illicit trade, strength of regulatory institutions) • Proximity to transport and marketing infrastructures (borders, airports, buying offices)

Source: Le Billon (2008: 348).

As shown in Table 2.1 above (and as the studies reviewed thus far suggest), 'resource curse' presupposes that natural resources undermine governance and economic performance thus increasing the likelihood of conflict. Resource conflicts entail the idea that the natural resource sector motivates disputes over resource distribution thereby inducing violent dispossession and resistance. Conflict resources carry the idea that natural resources reward belligerents, increasing the likelihood of conflict escalation and prolongation. In terms of conflict factors, the table shows that 'resource curse' relates to *vulnerability*, and resource conflicts and conflict resources respectively connect with the ideas of *risk* and *opportunity* of violence. Le Billon (2008) argues that the presence of natural resources does not necessarily pose a conflict risk, but the opportunity attached to them does. For example, in "diamond wars", opportunity results from the material, spatial and social characteristics of the mineral, as it is easily mined, highly valuable, easy to conceal, transport, store and trade. Moreover, the resource "does not need any transformation before reaching international (rough diamond) markets" (Le Billon, 2008: 360). Natural resources that "bear" these characteristics are most likely to induce, escalate and prolong violent conflict.[32]

Thus far, it can be seen that the literature on the political economy of war contains studies that suggest that natural resources and conflicts are (causally) linked. This is the case especially with natural resources that present opportunity for access, capture, and control (through violence or dispossession) and thus provide economic power to those who control the resources. Nevertheless, natural resources with the *opportunity* element do not all have the same impact on conflicts. Although Ross (2003: 47) shows that natural resources (and – less relevant to this study – illegal drugs) were strongly associated with domestic armed conflicts between 1990 and 2000, he argues that resources have different effects on conflicts. In order to illuminate this argument, Ross (2003) distinguishes between "lootable" and "unlootable" resources.[33] According to Ross (2003: 47-48), lootable resources tend to "ignite nonseparatist conflicts, which once begun are harder to resolve; but they pose little danger of igniting separatist conflicts." Conversely, unlootable resources are likely to produce

[32] These factors apply in equal, if not greater measure, to *coltan* – a strategic mineral resource that has been at the heart of the conflicts in the eastern regions of the DRC.

[33] Lootable resources (such as alluvial gemstones, agricultural products, timber, or *coltan*) are easily appropriated, exploited and transported by small groups of unskilled workers and thus benefit those who control the resource-rich areas and the local population whose labour is required. Unlootable resources include oil, natural gas, kimberlite diamonds (deposited far underground) and other deep-shaft minerals. The exploitation of these resources requires extensive capital and expertise. Hence, they tend to benefit central governments and foreign companies that possess the capital and technology required for resource exploitation (Ballentine and Nitzschke, 2005a: 5-6).

separatist conflicts, but rarely ignite nonseparatist conflicts.[34] Ross' (2003: 47) analysis, which examines fifteen conflicts, suggests that "three characteristics of natural resources – their lootability, their obstructability, and their legality – are likely to influence civil wars".[35] The insertion of these three factors streamlines the argument for the resource-conflict link, since "the role played by any natural resource depends largely on its lootability, and to a lesser extent on its obstructability and its legality" (Ross, 2003: 54). In addition, the value-to-weight ratio of a resource determines the impact that it has on a conflict. An examination of the impact of resources on conflict (for example alluvial diamonds in Sierra Leone and coltan in the DRC) lends credence to Ross' argument.

How then do lootable and unlootable resources influence conflict dynamics? Ballentine and Nitzschke's (2005a) observations cohere with Ross' (2003) analysis on the different effects of natural resources on conflicts. With reference to lootable resources, empirical evidence suggests that

> [a]ccess to lootable resources may prolong conflict, as weaker parties can avoid 'hurting stalemates' by generating finances necessary to continue hostilities. Where armed groups depend on easily accessible resources, there is a greater risk that conflict will be lengthened by the consequent fragmentation and fractionalisation of combatant groups, as internal discipline and cohesion are undermined by economic motives (Ballentine and Nitzschke, 2005a: 5-6).

Unlootable resources produce a different effect on conflict. Ballentine and Nitzschke (2005a: 6) state that

---

[34] Auty (2004) also makes a distinction between lootable and unlootable resources and contends that lootable resources are more likely to sustain conflict, as rebels and warlords can capture these resources more easily.

[35] A resource's lootability refers to the ease with which it can be extracted and transported by unskilled individuals or groups. Obstructability denotes the relative "ease with which the transportation of a resource can be blocked by a small number of individuals with few weapons" or by many soldiers with heavy equipment. Legality addresses the question: whether the resource "can be legally traded on international markets" (Ross, 2003: 54).

> [w]here corrupt, exclusionary, and unaccountable governments fail to adequately share the resources generated or to provide adequate public goods and services, a sense of economic deprivation may fuel other local resentments and feed separatist violence, as occurred in Bougainville (Papua New Guinea) and Sudan ... [T]he existence of [unlootable] resource wealth in one area may be viewed by separatist movements as a viable economic base for an independent state, thus encouraging armed conflict.

To illustrate Ballentine and Nitzschke's (2005a) point, the matrix below (Table 2.2) shows the relationship between lootable versus unlootable resources and separatist versus nonseparatist conflicts with reference to a number of case studies around the world.

Table 2.2: "Resource Wealth, Lootability, and Types of Conflict"

	Separatist Conflicts	**Non-Separatist Conflicts**
Lootable Resources	Burma – *timber, gems, opium*	Afghanistan – *gems, opium* Angola (UNITA) – *diamonds* Cambodia – *timber, gems* Colombia – *opium, coca* DRC – *coltan, diamonds, coffee* Liberia – *timber, diamonds, cocoa, coffee, marijuana, rubber, gold* Peru – *coca* Sierra Leone – *diamonds*
Unlootable Resources	Angola (Cabinda) – *oil* Indonesia (Aceh) – *natural gas* Indonesia (West Papua) – *copper, gold* Papua New Guinea – *copper, gold* Sudan – *oil*	Angola (UNITA) – *oil* Colombia – *oil, gas* Congo Republic – *oil* DRC – *copper, cobalt*

Source: Ballentine and Nitzschke (2005a: 6).

These (conceptual) distinctions in the resource-conflict link are important as they enhance the understanding of "the political economy of rebellion as well as of state failure in explaining conflict onset and duration" (Ballentine and Nitzschke, 2005a: 7). They move away from the simplistic tendency to draw a linear linkage between natural resource endowment or abundance and conflict.

Le Billon and Nicholls (2007: 613) note the "growing consensus that insurgent access to natural resource revenues prolongs armed conflicts and presents significant hurdles to peacekeeping missions." They define accessibility as "the ease with which an armed group can generate revenues from [natural resources], through exploitation, theft, as well as taxation or extortion" (Le Billon and Nicholls, 2007: 613). Crucially though, access to natural resources – through which insurgents finance their operations – is dependent on two critical factors:

(i) The "production and commercial characteristics of a resource": the lower the financial, technological and labour inputs, the more accessible a resource is.

(ii) The "geographical context and mode of exploitation of a resource": a resource that "is spread over a vast territory, in a terrain propitious to insurgency, and along an international border … [and] exploited by high number of businesses vulnerable to protection rackets and protected by ineffective or corrupt security forces" is more accessible (Le Billon and Nicholls, 2007: 626).

However, the accessibility criterion does not suffice in providing economic power to insurgents; the resources have to be sold in order to finance a rebellion. Le Billon and Nicholls' (2007) analysis draws on Ross' (2003: 54) argument regarding the legality of a resource in domestic and international markets. It is this legal character of resources that "shapes specific opportunities for belligerents" (Le Billon and Nicholls, 2007: 622). In simple terms, belligerents must be able to sell the resources in order to generate revenue. Concisely, the main argument by Le Billon and Nicholls (2007) is that accessibility or lootability and legality define the financial opportunities that resources provide to warring parties, which consequently affect the duration and intensity of conflicts.

It can be deduced from the analyses by Ross (2003), Ballentine and Nitzschke (2005a), Le Billon and Nicholls (2007), and Le Billon (2008) that the commercial characteristics and the geographical context of natural resources, as well the political environment in which the resources are located, rather than natural resources *per se*, determine the onset, duration and intensity of conflicts.

Since the end of the Cold War, however, natural resource extraction and trade have provided opportunities for armed groups to carry out their operations.[36] In what marks a "new" political economy of war, natural resources have "shaped strategies of power based on the commercialisation of armed conflict and the territorialisation of sovereignty around valuable resource areas and trading networks" (Le Billon, 2001: 561). While it is established in the literature on the political economy of war that natural resources provide the means of funding and waging conflicts, there is some evidence that conflicts are a means to gaining access to and controlling natural resources (Le Billon, 2001: 562). This suggests that natural resources affect and are affected by conflict. An implication of this two-way interaction is that the linkage between natural resources and conflict increases the vulnerability of resource-rich weak states. It also heightens the possibility of volatility and political instability in such states. Moreover, belligerents' control of vast resource areas and substantial revenues from natural resources hinder the peaceful settlement of violent conflicts.

Clearly, natural resources intrinsically do not trigger conflict. Therefore, it is important to add here that analyses of the resource-conflict link should be cognisant of the socially

[36] During the Cold War, armed groups in LDCs received financial and military assistance from the two superpowers, namely the United States of America and the defunct Union of Soviet Socialist Republics (USSR), depending on the ideological leanings of armed groups. The end of the Cold War fundamentally altered the sources of funding for armed groups.

constructed nature of resources. This is because a natural resource *per se*, or resource scarcity, or resource abundance "is not a necessary or sufficient factor of conflict" (Le Billon, 2001: 565). The salience of social construction of natural resources is premised on the evidence that resources can influence conflict and "can also be mobilised in peaceful development" (Le Billon, 2001: 565). Natural resources may mean nothing unless and until values are attached to them. To illustrate:

> Diamonds provide one of the best examples of a useless material, except for industrial cutting and abrasive properties, constructed (both economically and discursively) as one of our most highly priced resources through the manipulation of markets by a cartel and the manipulation of symbols such as purity, love, and eternity through marketing (Le Billon, 2001: 565).

Thus, natural resources derive their *materiality* from their social construction, which attracts local elites, foreign actors and global markets to these resources.[37] Attraction to natural resources creates a network economy, which links local and foreign individuals, groups, and states that access or benefit from the resources. Typically, a network may fuel conflict if it links belligerents with resource buyers, or companies involved in resource exploitation and trade (Le Billon, 2001: 572). The idea here is that all actors within the network economy are attracted to the resources by virtue of its value, which is socially constructed. Social construction intertwines with other factors such as the spatial distribution of resources, the pattern of resource exploitation, and lootability of resources to determine the effect of natural resources on conflict or peaceful development. Against this backdrop, Le Billon (2001: 575) argues for "a reformulation of the dominant arguments on contemporary resource wars" – a shift from need (resource scarcity) or greed (resource abundance) arguments to a perspective which views conflicts "as a historical product inseparable from the social construction and political economy of resources" (Le Billon, 2001: 575). This perspective, in the context of

[37] It is also instructive to note that natural resources also derive their *materiality* from physical manipulation. (I am grateful to one of the examiners for this point.)

globalisation, should focus on not only profiteering networks, but also local and international (non-)governmental actors whose roles include advocating transparency and accountability in the natural resources sector.

Humphreys (2005a) presents six mechanisms that explain the relationship between natural resources and conflict initiation and duration. The first is the *greedy rebels mechanism* which argues that natural resources motivate rebel movements to attempt state capture or secession through violence. In short, natural resource revenues enable rebels to keep fighting. Second, the *greedy outsiders mechanism*, which refers to the context in which natural resource abundance provides an incentive for foreign actors such as states and MNCs to engage in or foster domestic conflicts. Third, perceived deprivation of resource-bearing communities creates grievances and triggers violent resistance and secessionism – a reference to the *grievance mechanism*. Fourth, the *feasibility mechanism*, which pertains to the financial opportunities that natural resources provide to belligerents, even in conflicts that have been triggered by factors that are not related to natural resources. Fifth, the *weak states mechanism* speaks to the deleterious effects of natural resource abundance (for example weak state institutions, corruption, patronage, clientelism) which increase the likelihood of conflict. Finally, the *sparse networks mechanism* has it that resource-dependent or rentier states suffer from economic vulnerabilities that threaten peace and stability (Humphreys, 2005a: 511-513).

In parsing these mechanisms, Humphreys' (2005a) analysis touches on the relationship between natural resources and conflict duration. Two plausible explanations for conflict prolongation are worth noting: "[g]roups that benefit during conflict may prefer to fight than to win and therefore act as spoilers to peace processes"; and if "natural resource endowments are associated more with greed-inspired rebellions, then the fighters in these conflicts may not have an interest in the success of negotiations" (Humphreys, 2005a: 516). This view coheres with the argument that a "state of armed conflict provides belligerents with economic and political entitlements and opportunities that cannot be achieved by peace or even victory" (Le Billon, 2005: 578). Put differently, individuals and groups may benefit more during conflict than they would during peacetime.[38] In this case, access to natural resources and revenues obtained from their sale provide a very strong incentive to belligerents to continue fighting and to undermine peace processes.

In another study, Ross (2004) interrogates the relationship between natural resources and civil war based on hypothesis testing of thirteen cases, which included two successive wars in the DRC.[39] The thirteen cases led to a number of notable findings. First, Ross (2004: 61) finds "good evidence in the thirteen cases that natural resource wealth is causally linked to civil conflict", and that natural resource abundance makes "conflict more likely to occur, last longer, and produce more casualties when it does occur". This finding confirms the predominant argument that has been made in numerous studies on the resource-conflict link.

Second, only oil, nonfuel minerals (including gemstones), and illicit drugs appear to influence conflict, while other primary commodities such as agricultural produce do not have any correlation with conflict. Third, the looting and grievance mechanisms do not appear to be valid in the thirteen cases: "there was no evidence that rebel groups funded their startup costs by looting natural resources or extorting money from resource firms"; and there was no "evidence that grievances over insufficiently compensated land expropriation, environmental degradation, inadequate job opportunities, or labor migration contributed to the initiation of

[38] For example, Ross (2004: 54) notes that in "the war that plagued the DRC beginning in 1998—which has both the qualities of a civil war and an international war—the profitability of resource looting for foreign governments, rebel militias, and individual officers substantially reduced their incentive to end the conflict."
[39] The thirteen cases are Afghanistan, Angola, Burma, Cambodia, Colombia, Republic of Congo (or Congo Brazzaville), DRC I, DRC II, Indonesia, Liberia, Peru, Sierra Leone, and Sudan.

nonseparatist conflicts" (Ross, 2004: 62). That said, Ross maintains that grievances are relevant and are a factor in low level and separatist conflicts.

Fourth, natural resource abundance does not always worsen existing conflicts. The cases suggest that "resources sometimes have contradictory and even peace-enhancing effects over the course of a civil war" (Ross, 2004: 62). A conflict is prolonged when belligerents fight battles over resources; there is a quicker end to wars when combatants cooperatively exploit the same resources.

Fifth, and in agreement with other studies reviewed here, the nexus between natural resources and conflict is underpinned, not by one mechanism, but by a variety of mechanisms. These mechanisms combine to influence the onset, duration and intensity of conflict. Closely related to this point is the evidence from Ross' thirteen cases that natural resources have more than one effect on conflict. The implication of this evidence is that it calls for a nuanced understanding of the resource-conflict link. As Ross (2004: 62) observes, the "multiplicity of causal linkages—and the absence of a single, ubiquitous mechanism—may help account for the analytical muddle, and contradictory findings, of earlier studies." The sixth finding confirms the results of similar studies (already captured in this review section) which suggest that natural resources play different roles in separatist and nonseparatist wars.

Finally, there are "four unforeseen mechanisms that link resource wealth to subsequent conflict" (Ross, 2004: 63). The first unanticipated mechanism is that natural resource wealth increases the likelihood that "a foreign state will intervene on behalf of a nascent rebel movement" (for example Sierra Leone and DRC II), resulting in "long and costly civil wars" (Ross, 2004: 63). The second and third mechanisms pertain to what Ross (2004: 63) calls "booty futures" (that is "future exploitation rights to resources not under the seller's control"), which may either initiate or prolong a conflict by providing rebel movements or governments with funds for combat operations. The fourth unforeseen mechanism is "preemptive repression" – a situation in which the government takes "exceptionally harsh measures" to crush insurgencies that appear to threaten the government's control of natural resource wealth (Ross, 2004: 63). The import of Ross' findings is that they provide a range of plausible explanations for the initiation, frequency, duration and intensity of domestic conflicts in resource-rich countries.

The growing recognition of the role of natural resources in conflicts is redefining the contours of conflict research in general and the understanding of political economy of conflict in particular. Garrett and Piccinni (2012: 4) capture this point thus: "[a]s a result of a new sensitivity to the economic dimensions of conflict, intrastate conflicts in natural resource-rich countries progressively became understood as 'resource wars', and the local economic systems from which combatants mobilized their resources defined as 'war economies'". Hence, the use of the term *resource wars* or *resource conflicts* in the literature points to the recognition of the centrality of natural resources to conflicts.

In a study that focuses on corporate war crimes in resource-rich countries, Stewart (2011: 9) states that the illegal exploitation of natural resources has become the primary means of financing violent conflict. In countries such as Angola, the DRC, Liberia and Sierra Leone, resource exploitation and trade created "perverse incentives for war", provided financial opportunities for belligerents and sustained brutal conflicts (Stewart, 2011: 9). The author describes the (effect of the) resource-conflict link thus: "[as] a consequence of the illegal trade in minerals, metals, timber, and other natural resources, armed conflicts in which participants are able to draw upon easily accessible natural resource wealth are often more bloody, financially costly, and intractable than other forms of armed violence" (Stewart, 2011: 9). The crux of Stewart's argument? Natural resource abundance has contributed to making some countries conflict-prone. Therefore, the imbrication of natural resources in conflicts has been the strongest argument for the 'resource curse'. The term, "resource wars", which Stewart (2011: 9) utilises, has thus gained currency in the literature. Resource wars, especially in Africa, have drawn in local and foreign profiteering networks whose activities have complexified such conflicts. For example, Stewart (2011: 9) refers to the liability of foreign businesses that trade in illicit commodities. This liability arises, in part, from the reality that resource wars "are entirely dependent on commercial actors to purchase, transport, and market the resources that are illegally acquired in order to sustain violence" (Stewart, 2011: 9). In the case of the DRC, for example, several reports have pointed to the role of corporate actors in the illegal exploitation of the country's natural resources.[40] Stewart's work foregrounds the idea that studies on the political economy of conflict have tended to focus on the role of belligerents (governments and rebels) in the analysis of the resource-conflict nexus. In order to address the conflict-financing mechanism of natural resources however, it is imperative to give attention to the role of corporate actors in conflict zones.

According to Ballentine and Nitzschke (2005b: 1), "the increased commercialisation of civil wars has gained unprecedented academic and policy attention" since the end of the Cold War. Numerous contemporary domestic conflicts in the post-Cold War epoch have been characterised "by the predatory exploitation of natural resources and the pervasive criminalisation of economic life" (Ballentine and Nitzschke, 2005b: 1). Resource

[40] This is discussed later in this study (see Chapters Six and Seven).

exploitation and trade provide revenues that enable governments and warlords to acquire weapons and to finance their combat operations. Hence, studies on the political economy of conflict demonstrate the "self-financing nature" of most domestic conflicts, creating war economies that have been facilitated by economic globalisation, financial market liberalisation and "elaborate quasi-criminal networks" (Ballentine and Nitzschke, 2005b: 1). Strikingly, war economies resulting from what Ballentine and Nitzschke (2005b: 1) refer to as "conflict trade" have made wars intractable.

Furthermore, Ballentine and Nitzschke (2005b: 3) identify three fundamental linkages by which natural resources can affect a country. First, natural resource abundance can "create permissive causes of violence and armed conflict" thereby undermining the "socioeconomic and political stability of a country" (Ballentine and Nitzschke, 2005b: 3). Second, natural resource revenues can significantly influence the character and duration of conflicts. On this point, Ballentine and Nitzschke (2005b: 3) state that "the ready availability of spoils of war in the form of lucrative and easily tradable natural resources in particular tends to complicate conflict termination and may pose important challenges for postconflict peacebuilding by creating 'spoilers' with an interest in continuation of violence and instability." The authors also capture how natural resources shape the character of conflicts. They are of the view that "[n]atural resource predation and criminal economic activities can also have strong regional linkages with cross-border trading networks, regional kin and ethnic groups, and supportive neighboring regimes, particularly where conflicts are embedded in regional conflict formations" (Ballentine and Nitzschke, 2005b: 3). Third, "there are nonnegligible moral, political, and even legal obligations for governments and companies in the developed world that arise from their commercial linkages with local war economies" (Ballentine and Nitzschke, 2005b: 4). These three linkages draw "attention to the role of natural resources as a source of combatant self-financing" (Ballentine and Nitzschke, 2005b: 4). Most importantly, the obligations on the part of governments and MNCs are premised on the evidence that "most of the natural resources fueling conflicts are destined for consumer markets (both licit and illicit) in the developed world" (Ballentine and Nitzschke, 2005b: 4). Therefore, it is apposite to examine the roles external actors, whose social construction of lucrative natural resources (*a la* Le Billon, in this section) plays a part in the "conflict trade".

As noted in this section, resource exploitation and trade influence armed conflicts in a number of ways. Humphreys (2005b: 25-44) outlines five modalities through which natural resources are linked with conflicts. First, *rent seeking*, which highlights the political and economic dimensions of the 'resource curse' especially in terms of malfeasance by the ruling elites. Second, *grievances*, which relate to the "(mal)distribution of natural resource wealth and the socio economic impacts of extractive operations." Third, *economic instability*, which results from the distortions associated with resource dependence. Fourth, *conflict financing*, which offers opportunities for belligerents to keep fighting, thereby prolonging conflicts. Fifth, *peace spoiling*, a reference to the context in which natural resources alter the incentives for peace. Humphreys' (2005b: 25-44) analysis shows that different sets of actors and incentives are associated with each of these modalities. While some mechanisms involve local actors, others relate to international actors such as foreign governments and corporations.

Natural resources have been at the centre of deadly and protracted conflicts in Africa. Hence, some of the studies on the political economy of conflict examine the resource-conflict link in the African context.[41] For instance, Kabemba (2008: 6) contends that the management of

[41] For examples, see Herbst (2000: 270-294) and Yartey (2004: 87-128).

natural resources in African countries provides ample evidence that natural resource abundance is associated with civil wars and political instability. Unfair distribution of natural resource wealth has triggered conflicts and egregious human rights abuses by governments that are intent on quelling resistance. Cases in point are the conflict scenarios in Angola's Cabinda enclave/province and Nigeria's Niger Delta region. Kabemba (2008: 8) adds that the continent history includes "interference by the world's great powers (the new great powers are scrambling to exploit Africa's resources through their multinationals)." The net effect of the mismanagement of Africa's natural resources has been negative development pathologies.

Still on the regional context, one study that stands out is Alao's (2007) penetrating analysis of the resource-conflict link in Africa. Alao (2007: x) divides natural resources into four categories (land, solid minerals, oil, and water) and examines how each category is linked to conflict in the continent. In agreement with several authors discussed in this section, Alao (2007: 15) posits that natural resources are linked to the causes, prolongation and resolution of conflicts. Broadly, natural resources are linked to conflicts in Africa in three ways. First, there are situations in which "natural resources constitute a direct or remote cause for conflict". Second, there are instances in which "natural resources fuel and/or sustain conflicts". Third, there are cases in which "resources have come into consideration in efforts to resolve conflicts" (Alao, 2007: 4). The author cites resource linkages with conflicts in Angola, the DRC, Liberia, and Sierra Leone as cases in point.

According to Alao (2007: 112), solid minerals possess "high profit margins and ease of disposability" which draw the attention of an array of interest groups, such as armed groups/militias, mercenaries, political elites, regional states, and transnational corporate actors. Furthermore, economic globalisation and market de-regulation have accentuated this attraction to natural resources. As Alao (2007: 270) observes, economic globalisation and market de-regulation have facilitated illicit resource exploitation and trade, increased the propensity of cross-border conflicts involving natural resources, and enabled resource-dependent belligerents to develop parallel international linkages necessary for their survival. A prime example that illustrates Alao's point is the conflict in the DRC where the complicity of local and transnational actors (seeking to reap resource profits) has led to a protracted conflict. It is worth noting that in the case of the DRC, conflict perpetuation has resulted from the quest by local, regional and global actors to control the country's vast mineral wealth in the context of state incapacity. Where the state is weak or lacks the mechanism(s) for effective natural resource governance, the complicity of resource-driven and profit-seeking actors increases the potential for conflict.

In a study that examines the 'resource curse' with specific reference to the DRC, Guenther (2008: 348) argues that the country's "natural resource wealth has facilitated both authoritarianism through political patronage as well as the destabilisation of the state by fuelling conflict." Natural resources played a role in the appropriation of the territory by Belgium, the secessionist uprisings in Katanga in the 1960s, the sustenance of Mobutu Sese Seko's autocratic regime, and the two wars in the 1990s. The salience of natural resources in the DRC's woes has been more pronounced during the second war (which has been labelled 'Africa's world war') which witnessed the "systemic extraction and exporting of natural resources" by a plethora of armed groups including national armies (Guenther, 2008: 353). A report by the United Nations Panel of Experts (United Nations, 2001: 41) noted that

> [t]he conflict in the Democratic Republic of Congo has become mainly about access, control and trade of five key mineral resources: coltan, diamonds, copper, cobalt and gold. The wealth of the country is appealing and hard to resist in the context of lawlessness and the weakness of the central authority (quoted in Guenther, 2008: 354).

In line with the foregoing observation, there have been alleged and proven cases of complicity by rebel groups, foreign national armies, UN peacekeepers and corporate actors in the illicit exploitation and trade in the DRC's resources. Indeed, the scramble for the DRC's resources has been a key element in conflict perpetuation.

Guenther (2008) draws three conclusions from the analysis of the DRC case study. First, the country's natural resource wealth has played an "instrumental role in poor governance and conflict implying the existence of a 'resource curse'" (Guenther, 2008: 354). Second, the geographical concentration of natural resources in the areas of Katanga and the northeast provinces in the DRC make it difficult for the central government to control these areas. Also, the "close proximity of resources to the DRC's borders allows for them to be more easily captured by neighbouring states and rebel groups" (Guenther, 2008: 354). This has fostered warlordism in eastern DRC, confirming Le Billon's (2001) argument. Third, "the conflict over resource rents has been further complicated by external interventions by states and corporations that are complicit in, if not in favour of, instability in the region" (Guenther, 2008: 355). These conclusions lend credence to some of the arguments for the 'resource curse' reviewed in this section. However, Guenther (2008: 354) adds a note of caution that the country's weak institutions complicate the DRC's 'resource curse'. Interestingly, Guenther's reference to the DRC's weak institutions underscores the notion of governance in relation to the discussion of the 'resource curse'.

A significant element that is germane to understanding the resource-conflict link is the notion of *natural resource governance*. Alao (2007: x) argues that "conflicts over natural resources in Africa are inextricably linked to the complete defectiveness or the selective efficiency of the apparatus of natural resource governance." Natural resource governance refers to "the whole gamut of internal and external considerations, especially in the form of laws and practices, which come to play in the management (that is, the ownership, extraction, processing, distribution, and control) of natural resources" (Alao, 2007: x). By introducing the idea of natural resource governance, Alao's (2007) study – which draws on empirical evidence across Africa – also contributes to the refinement of the nexus between natural resources and conflict. This is premised on the author's assertion that

> there is no direct correlation between natural resources and conflict beyond the structures, processes, and actors associated with the management and control of these resources. Consequently, contrary to conventional thinking, neither 'scarcity' nor 'abundance' is in itself the real cause of natural resource conflict; rather, it is the 'management' of these resources. This implies that the possession of natural resources is neither a 'curse' for those who have it nor is it a 'blessing' (in the form of escape from conflict) for countries not endowed with natural resources (Alao, 2007: x).

Simply put, the effects of natural resources differ significantly between and among countries. The presence of development pathologies in some resource-rich countries and their absence in others make generalisations difficult. Country-specific conditions are very much at play in creating scenarios that illustrate or disprove the 'resource curse' thesis. The effect of natural resources on "a country's socio-economic and political development depends on a fairly dynamic and complex interplay of a number of contextual variables" (Basedau, 2005: 22). As such, the increasing recognition of the influence of other economic and political factors on natural resources has underpinned analyses that modify or reject the 'resource curse' thesis.

Although natural resources can and do influence conflicts, Ballentine and Nitzschke (2005b: 4) emphasize a caveat that the role of natural resources in conflicts should not be overstated at the expense of other salient underlying or proximate conflict triggers. The authors contend that “not all countries that suffer from armed conflict are rich in lucrative natural resources, nor are all resource-dependent economies prone to conflict” (Ballentine and Nitzschke, 2005b: 4). Besides, there are studies which suggest that “even where natural resource predation features strongly in conflict dynamics, it is seldom the sole or even main cause of conflicts” (Ballentine and Nitzschke, 2005b: 4).[42] Therefore, “while a political economy approach is a useful methodological framework for conflict analysis and policy development, it should not lead to ‘natural resource reductionism’ that neglects other, still crucial political, security and social dimensions of armed intrastate conflict” (Ballentine and Nitzschke, 2005b: 4). This is a useful caveat that is necessary for a nuanced understanding of the resource-conflict link. More importantly, it underscores the contradictions and contending perspectives in the literature and enables a robust understanding of the complexities associated with contemporary conflicts.

As this section shows, the insertion of economic, social and political variables into the resource-conflict link modifies the thesis. According to Wennmann (2007: 430), the fact that natural resource-rich countries (for example Botswana, Norway, Australia) or resource-poor countries (for example Japan) have not experienced armed conflict leads inexorably to a conclusion: what matters is not the presence of natural resources, but how they are managed. Therefore, analyses of the resource-conflict nexus should be anchored on the realisation that “resource abundance and scarcity are neither a necessary nor sufficient criteria for conflict” (Wennmann, 2007: 430).

Additionally, Wennmann (2007: 430) critiques the broad focus on natural resources, which “does not capture the multitude of resources, their individual attributes, and their effects on

[42] For example, see Herbst (2000), Porto (2002), and Ballentine and Sherman (2003).

different types of civil wars."[43] In view of the varying outcomes associated with conflicts involving different natural resources, the author argues for a nuanced understanding of the natural 'resource curse' as it relates to armed conflict. This understanding is underpinned by the argument that the "link between natural resources and conflict is not automatic" (Wennmann, 2007: 431). Here, it is worth noting that two studies (De Soysa, 2000: 113-35; 2002: 395-416) based on econometric analysis found that there was no relationship between the incidence of armed conflict and the overall level of natural resource abundance. The contradictions in the literature suggest that other factors are at play in conflicts involving natural resources. Therefore, the insertion of these factors into analyses of the resource-conflict link is necessary for accurate diagnoses and explication of conflicts in which the natural resource element features.

There is an important repercussion associated with the inclusion of other factors in the analysis of the resource-conflict nexus. In some analyses, the insertion of economic and political variables into the discourse on the effect of natural resources on a country is tantamount to a rejection of the 'resource curse' thesis. An example is Basedau's (2005: 22) argument that "in the strict sense, there is no such thing as a 'resource curse'." Contextual factors such as historical legacies, the structures and parameters of governance, idiosyncrasies of political leaders (for example corruption, patronage and rent-seeking)[44] and the revenue management system determine the effect that natural resources have on a country. As Basedau (2005: 23) puts it,

> [v]ariables such as relations between identity groups, the level and dynamics of socio-economic development, the design and functioning of public and state institutions, behavioural patterns of

[43] In response to Wennmann's critique, studies reviewed in this section contain typologies that focus on the types and characteristics of natural resources as well as their different effects on the onset, intensity, and duration of conflict.
[44] For a discussion of the link between corruption and natural resources, see Kolstad and Søreide (2009: 214-226).

> elites, political parties, the military and civil society – not forgetting the regional and global setting – have to be scrutinised carefully when studying resource-related problems in any country.

Whether natural resources have a beneficial or detrimental effect on a country depends on the interplay of these factors. Basedau's (2005) critique of the resource curse stems from explanations that ignore or gloss over these contextual variables.

Sequel to an extensive literature survey on the 'resource curse' in general, Rosser (2006a: 12) contends that while most studies "provide evidence that natural resource abundance – or at least an abundance of particular types of natural resources – and various development outcomes are correlated with one another, they do not prove that the former causes the latter." The author adds that "while there is strong evidence to support the notion of a resource curse, it is by no means conclusive" (Rosser, 2006a: 13). What the review of the literature on the resource-conflict link suggests is that while there is an argument for correlation, an argument for causation is tenuous.

From the discussion above, it is evident that "issues surrounding natural resources have become violently contestable" (Alao, 2007: x). However, a logical conclusion that can be drawn from the review in this section is that the level and intensity of natural resource-related conflict is dependent, not on the possession of natural resources, but on a number of economic and political variables, including the efficiency of the state apparatus for natural resource governance. What this suggests is that the relationship between natural resources and conflict is not linear and simple, but indirect and complex. The conclusion here necessitates a modification of the resource-conflict argument in particular, and the 'resource curse' thesis in general.

Therefore, this study's utilisation of the notion of 'resource curse' is informed by this "refined" understanding of the role of a strategic mineral resource namely, *coltan*, in the DRC conflict. Other minerals that have influenced the dynamics of conflict in the country include cassiterite, cobalt, diamonds, gold, tin, tantalum, and tungsten.[45] This study applies some of the elements captured in this review section in its explication of conflict in the DRC. The analysis here is informed by variables such as the characteristics of natural resources (their social construction and geographic distribution), the role of local, regional and global (profiteering) actors, and state deflation (including its associated variables for example weak state institutions, patronage and corruption). In view of the subject matter of this research, the study places emphasis on the role of MNCs in the DRC conflict. Although the 'resource curse' paradigm is trailed by contradictions and academic controversy, the elements associated with a nuanced understanding of the paradigm provide useful parameters within which one can interrogate the resource-conflict link in general and the subject matter of this research in particular.

2.3 Conclusion

This chapter has interrogated the nexus between natural resources and conflict through the prism of the 'resource curse' thesis. It was noted that the literature contains narratives that either corroborate, modify or rebut the thesis, thus leading to a robust scholarly debate about the nexus between natural resources and conflict. This chapter examined this debate and highlighted the factors associated with natural resource endowment that typically precipitate and/or exacerbate conflict. It was stated that conflict is a function of several variables that interlink with natural resources, not natural resource endowment or abundance *per se*. However, the section noted empirical studies that suggest that the natural resource element

[45] Where necessary, references will be made to these materials to illustrate pertinent points, arguments and empirical findings.

remains a significant factor in the initiation, escalation, prolongation and duration of conflicts.

Given that corporate actors often determine the dynamics of the interactive relationship between natural resources and conflicts, the next chapter examines theoretical and analytical perspectives on conflict and MNCs. The chapter, which combines scholarly narratives with the review and comparison of various schools of thought on MNCs, seeks to foreground the fundaments of corporate behaviour in resource-rich zones of conflict.

CHAPTER THREE

THEORETICAL AND ANALYTICAL PERSPECTIVES ON CONFLICT AND MULTINATIONAL CORPORATIONS

3.1 Introduction

As noted in the preceding chapter, this study interrogates the connections between natural resources, business and conflict. The triangulation that this study adopts – natural resources, profit and peace – speaks to the interconnectedness of minerals, profit-seeking corporate actors (primarily MNCs) and conflict dynamics (especially the prospects for peace). In teasing out the elements of this triangulation, the preceding chapter examined the intricate relationship between natural resources and conflicts. It was noted that MNCs' roles in resource-rich conflict environments influence the dynamics of the resource-conflict nexus. The analysis in Chapter Two presupposes that the corporate-conflict link deserves further interrogation.

Against this backdrop, this chapter examines the connections of MNCs to natural resources and conflicts. In doing this, the chapter reviews scholarly arguments on the place and roles of corporations as well as the debate on the impacts of their activities on host environments (especially in the LDCs). Specifically, it presents the liberal, radical, contractarian and communitarian paradigms on MNCs and the stakeholder theory of corporations. The chapter also analyses the notion of CSR.

3.2 Paradigmatic perspectives on multinational corporations

> The importance of the multinational corporation (MNC) is a key feature of globalization of the world economy (Gilpin, 2001: 278).

As noted in the introductory section in Chapter One, a distinct feature of the post-World War II global political economy has been the phenomenal spread of MNCs. The immediate post-Second World War epoch was characterised by the expansion of Western MNCs (mainly from the United States) to developing countries. Latin America felt the wave of Western MNC expansion in the 1970s. Later, the demise of the Soviet Union and the end of communism facilitated the spread of MNCs in Eastern Europe in the 1990s and beyond. In terms of the global spread of MNCs, Spero and Hart (2010: 129) report that by 1994, "there were 37,000 multinational parent firms controlling over 200,000 foreign affiliates" while in 2006, "there were 78,000 MNCs with 780,000 overseas affiliates." The rapid expansion of MNCs and their economic clout have made these non-state actors important and influential players in contemporary international political economy.

Crucially, the importance of MNCs derives from a number of attributes that give them comparative advantage or leverage vis-à-vis other actors in the international system. The manner in which MNCs, especially those headquartered in the West, have used such comparative advantage/leverage in furtherance of their economic interest has been given considerable attention in academic and policy circles. An examination of the literature shows that scholarly perspectives on MNCs draw on the characteristics and activities of MNCs. Moreover, the assumptions and conclusions which are articulated in these perspectives are generally predicated on the political, economic (and sometimes, socio-cultural) effects of MNCs' operations on host countries. In addition, several theories in the fields of economics, business management, and marketing have sought to explain the ownership, (internal) management/control, and expansion of MNCs.[46] The intention in this section is not to review all theories, but to examine the paradigms that focus on MNCs' operations and the impacts of

[46] For an overview of some these theories, see Hennart (2009: 125-145), Forsgren (2008), Haley (2001), and Kuşluvan (1998).

their activities especially in host environments. Narratives on the operations and roles of MNCs fall into two broad categories: the *liberal* and the *radical/dependency* paradigms. This section focuses on the key aspects of MNCs' operations that each perspective articulates in its formulation of an overarching idea about MNCs. The section begins with a review of the liberal paradigm.

The crux of the argument by advocates of the *liberal school* is that MNCs make important contributions in host countries. Therefore, the paradigm sees MNCs as agents of development. According to Fieldhouse (2000), host states, LDCs, derive (potential and actual) benefits from MNCs in three main areas: capital; organisation and management; and technology. It is argued that MNCs bring in and invest capital in host countries. This injection of capital by MNCs consists of machinery, expertise, and patents (Fieldhouse, 2000: 173). Such capital may be beyond the reach of local investors or even the state. Most LDCs are unable to raise the capital needed to undertake certain strategic economic activities such as exploration and mining, which are capital intensive. Many LDCs also lack the technical expertise needed in high-tech and capital intensive industries. MNCs therefore serve as sources of capital in these sectors of the economy in the LDCs. Furthermore, capital infusion by MNCs generates an added benefit for LDCs through job creation. MNCs employ people in sectors such as banking/finance, manufacturing, mining, and pharmaceuticals. The growth of MNCs across the world has been accompanied by significant increases in the number of people employed by these companies (Dobrai, Farkas, Karoliny, and Poór, 2012: 149). With reference to capital, Fieldhouse (2000: 173) notes that investment by MNCs "may stimulate further aid from foreign governments." In sum, it is assumed that MNCs increase the level of investment in host countries, with attendant benefits in the area of income and employment generation.

In terms of organisation and management, Fieldhouse (2000: 173) posits that "the superiority of an MNC is undoubted, both as an efficient user of resources and as a demonstrator of sound business methods in countries where corporate 'management' is a novelty." When applied to the LDCs, the argument is that there is a dearth of managerial or technical capacity and expertise to superintend the extensive operations that MNCs typically undertake. It is said that MNCs "bring with them sophisticated technical know-how, modern management and marketing techniques" (Radhu, 1973: 361). Consequently, the organisational and logistical wherewithal which MNCs possess may benefit the host country's economy as citizens employed by these companies acquire requisite managerial and technical skills. In this sense, it is contended that MNCs are involved in some form of transfer of managerial and organisational skills/experience.

Closely related to the aforementioned is the technology transfer argument. Many LDCs are characterised by severe resource incapacities such as "weak research and development base, limited investment in [research and development], production and manufacturing capability, weak infrastructure and technological disadvantage" (Wahab, Rose and Osman, 2012: 142). Therefore, many LDCs "depend mainly on foreign direct investments (FDIs) from MNCs as their primary source of technology to enhance the technological capabilities and competitiveness of local industries" (Wahab, Rose and Osman, 2012: 142). Technology is "usually taken to be the main contribution made by MNCs to LDCs" (Fieldhouse, 2000: 173). It is held that MNCs transfer technology to host LDCs through "(a) MNCs' backward and forward linkages with indigenous firms and customers; (b) imitation of domestic firms by 'learning by watching' in the presence of MNCs; (c) induction of trained workers and managers by MNCs; and (d) relocation of MNCs' [research and development] activities to host economies" (Zhao and Zhang, 2007: 249). Through these means, individuals and industries in host countries acquire expertise that may not be available in the absence of MNC investment. In other words, investment by MNCs generates technological diffusion or a spill over effect in LDCs. As Abereijo and Ilori (2012: 185) note, the "availability of new foreign knowledge through MNCs may benefit domestic firms as they can learn the technology from them, which allow them to upgrade their own production process, and as a result, improve their productivity." On this point, Spero and Hart (2010: 307) refer to the liberals' argument that "[t]echnology transfers and demonstration effects of new technology [improve] the total factor productivity of developing countries and [enhance] their international economic competitiveness."

Drawing from fifteen studies that highlight the wide-ranging positive impacts of technology transfer by MNCs on LDCs, Wahab, Rose and Osman (2012: 142-143) posit that

> [t]he technologies which are transferred by MNCs benefit the host country in terms of achieving long term economic growth, providing a higher potential of innovation performance/capabilities, increasing technological capabilities, enhancing the organizations' competitive advantage, enhancing the organizational learning effectiveness, providing a positive effect on productivity, and increasing the technological development of local industry. Other research studies have proposed technology transfer as one mechanism by which developing countries can break the vicious cycle of economic underdevelopment. From the technology transfer initiatives, the host-country will also benefit in terms of improving quality of life, achieving technology progression through research and development, and increasing tax revenue.

The extensive financial resources that MNCs possess enable them to invest in research and development within LDCs. As noted earlier, this is especially the case in the capital-intensive sectors of the economy such as mining, manufacturing and health. In these sectors, innovative research requires large financial outlay, which is often beyond the reach of most

LDCs. The spill over logic suggests that host countries benefit from research undertaken by MNCs in these sectors.[47] Furthermore, the presence of MNCs could break monopolies and stimulate competition in host countries' economies as local firms may be compelled to introduce new technology and improve their products and services (Blomström and Kokko, 1998: 2) thereby producing benefits for consumers. MNCs also contribute to the host countries' economies through the payment of taxes and royalties (in the case of joint venture initiatives between MNCs and state-owned enterprises). Host governments may be able to use the revenues generated through taxes and royalties to provide social services, infrastructure and diversify their economies.

Proponents of FDIs contend that MNCs not only fill crucial resource gaps but that their presence also has a positive impact on welfare and the standard of living in LDCs. It is argued that MNCs improve the standard of living through the "creation of new better paying jobs, the provision of new and better products and services, competitive prices, and programs to improve health, housing, and education for employees" (Spero and Hart, 2010: 308). It is on the strength of these benefits that adherents of the liberal paradigm argue that MNCs make significant contributions to the development of the economies of LDCs. The aforementioned positive influences of MNCs on LDCs underscore the liberal perspective's conception of MNCs as "benign engines of prosperity" (Stopford, 1998-1999: 12).

Despite these positive views of MNCs,

> [t]he multinational enterprise has come to be seen as the embodiment of almost anything disconcerting about modern

[47] Spero and Hart (2010: 310) define a spill over as "spread of something valuable from the MNC to the local economy". There are three main forms of spill overs: a *wage spill over*, in which higher wages paid by MNCs lead to higher wages for employees of competing domestic firms; a *technology spill over*, where "a technology utilised by MNCs "is adopted or copied by local firms"; and a *productivity spill over* that is "when the presence of a multinational not only raises the productivity of the workers and capital associated with that firm but also raises productivity of local firms" (Spero and Hart, 2010: 311).

> industrial society, and it has not acquired this role by sheer chance. Certain attributes of multinational enterprises have increased the probability that the enterprises would be singled out for that dubious distinction. One such attribute is size; another is the kinds of business activities in which the enterprises have specialized; and third is the patterns of their management and control (Vernon, 1977: 19).

In line with Vernon's assertion, the radical/dependency school highlights several aspects of MNC operations that are disconcerting. Various arguments advanced in this regard highlight the activities of MNCs that produce pernicious effects in host countries. The overarching conclusion by adherents of the radical/dependency paradigm is that MNC operations are inimical to the development of host countries, in sharp contradistinction to the dominant view espoused by liberal scholars.

Radical/dependency narratives on MNCs attack the assumptions (including the benefits of MNC operations) that the liberal school espouses. Dependency critiques of the liberal conception of MNCs range from mild to scathing. Fieldhouse's (2000) cautionary observations constitute a mild critique of the assumptions propounded by the liberal school thought. While acknowledging the benefits of MNC operations vis-à-vis capital, organisation and management, and technology as outlined above, Fieldhouse (2000: 173) notes the contradictions inherent in the liberal school's assumptions regarding these factors. For instance, the point that MNCs invest capital in LDCs should be treated with caution. While proponents of FDIs argue that MNCs are crucial sources of capital inflows that fill resource gaps in LDCs, critics are sceptical about and take exception to such claim. Critics contend that MNCs bring in little capital, or they may raise capital within the host country using local loan sources thereby "diverting local savings from other activities" (Fieldhouse, 2000: 173) that could benefit the economies of LDCs. For instance, investment finance required by

MNCs is often raised from host-country, as opposed to, foreign sources.[48] Due to their strength, it is easier for MNCs to obtain finance for investment from local sources; they are more likely to provide collaterals and other guarantees (attached to loan conditions) that domestic businesses often find difficult to afford. MNCs also use local financing to acquire existing indigenous firms and in the process stifle local entrepreneurs (Spero and Hart, 2010: 308).[49]

A strident criticism levelled against MNCs pertains to capital flight. More often than not, MNCs repatriate the profits that they make in host countries to their home countries rather than reinvest the profits in the host economies. Capital or profit repatriation creates volatility and economic dislocations in host countries. More significantly, illicit capital flight by MNCs inflicts substantial damages on host economies, especially those of already impoverished LDCs.[50] Closely related to illicit capital flight is the phenomenon of tax evasion by MNCs, which also hurts host countries' economies. Tax evasion occurs through the manipulation of intra-company transactions. Specifically, a strategy that MNCs use to evade tax is intra-firm transfer pricing "whereby multinationals overprice and underprice components shipped among various affiliates in an attempt to shift income from high- to low-tax venues" (Stopford, 1998-1999: 20). In practical terms, MNCs in LDCs underprice their exports but overprice their imports, thereby "invisibly shifting profits from the South to the North" (Spero and Hart, 2010: 309). The net effect of such intra-MNC strategy in LDCs is

[48] In the 1960s for example, United States' manufacturing subsidiaries in Latin America "obtained 80 percent of all their financing locally, through either borrowing or subsidiary earnings" (Spero and Hart, 2010: 308).
[49] A study found that 43 percent of United States' MNCs established their presence in the Mexican economy by taking over existing firms. Mexicans formerly owned 81 percent of the firms that these MNCs acquired (Spero and Hart, 2010: 308).
[50] For example, Dr Ibrahim Mayaki, the Chief Executive Officer of the New Partnership for Africa's Development (NEPAD), noted in 2013 that "over 80 percent of the illegal capital flight from Africa is done by the multinational companies that do not pay their taxes" and that "Africa loses over 160 billion U.S. dollars through the phenomenon of capital flight" (Xinhua News, 2013: i. d.).

that these countries are denied much-needed development finance.[51] Therefore, the radical/dependency paradigm construes this aspect of MNCs' operations as prejudicial or inimical to the national interests of LDCs.

As Fieldhouse (2000: 173) opines, the assumption that efficient organisation and management by MNCs benefit host countries should equally be treated with caution as there "are potentially disadvantageous economic consequences of the organizational superiority of the MNC". Viewed from a "nationalist" or "welfare" prism, the organisational and management efficiency of MNCs may nurture or perpetuate a dependency syndrome in LDCs. The "very efficiency of an MNC may have an adverse effect on domestic entrepreneurship in the host country" (Fieldhouse, 2000: 174). Local firms may draw on the managerial expertise of MNCs or rely on service provision by MNCs such that they become oblivious of or lose their capacity for innovation, or relinquish control of strategic sectors to MNCs. And in the event that "all the dynamic and technically advanced sectors of the LDC's economy pass into the hands of foreign firms, this may check economic development by reducing the rate of capital accumulation" (Fieldhouse, 2000: 174). It should also be added that MNCs' organisational and management efficiency may not necessarily engender benefits for LDCs, especially if citizens of host countries do not occupy managerial positions in the MNCs or if (the diffusion of) expertise is confined to subsidiaries with little or no possibility of spill over into the public domain.[52]

[51] In 2008, the Organisation for Economic Co-operation and Development (OECD) stated that LDCs could be losing three times the amount they receive in aid due to tax evasion and avoidance (Gurría, 2008: i. d.). Furthermore, a report by Christian Aid, a United Kingdom-based international development charity, highlights the pernicious effect of tax evasion by MNCs in its conclusion that this phenomenon hinders development, especially in the LDCs (see Janský, 2013).

[52] For critics of the liberal perspective, the exclusion of "the indigenes of the host country" from managerial positions in MNCs, which, for example, is the thrust of Udofia's (1984) scathing criticism of MNCs, is an important consideration since it contributes to human capital deficiency in LDCs.

Similar caveats apply to the argument that MNCs transfer technology to host countries. Fieldhouse (2000: 174) raises important questions regarding the purported benefits of technological contributions by MNCs to LDCs. Could LDCs obtain the same benefits "except through the medium of a multinational so that some of the associated costs could have been avoided: for example, by licensing indigenous producers?" Are "the technologies imported by MNCs 'appropriate' to the circumstances of LDCs?" Are the technologies "excessively capital-intensive and do they serve the desires of an élite rather than the 'basic needs' of the masses?" (Fieldhouse, 2000: 174).

The implication of these questions, viewed from a "nationalistic" and "welfare" prism, is that LDCs may not benefit from the technology and marketing skills that MNCs bring with them.[53] In fact, LDCs may be worse off. For instance, critics question the appropriateness of the technologies that MNCs bring into LDCs. Spero and Hart (2010: 309) capture the problem of the importation of inappropriate technologies thus: "[a]lthough some foreign investment entered the South to take advantage of abundant Southern labor and thus contributed to employment, some MNCs brought with them advanced, capital-intensive technology developed in and for developed countries that did not contribute to solving the problem of unemployment in developing states." With reference to this problem in Nigeria's (historical) context for example, Onimode (1978: 228) asserts that the technology that MNCs imported into the country was restricted to the foreign-dominated segment of the nation's economy and affected less than ten percent of the country's population. Since the imported technology affected a tiny section of the population, it had "no real chance of being internalised by the masses" (Onimode, 1978: 228). In effect, the technology that MNCs brought into Nigeria was "irrelevant to the overall input-endowment of the country …

[53] Fieldhouse (2000: 175) states that in terms of marketing skills, for example, "MNC advertising may create 'unsuitable' tastes, inducing the starving to spend their money on Coca Cola rather than on milk."

produced technological distortions and technical discontinuities … and constitute[d] a potent imperialist barrier against the emergence of truly national technological culture" (Onimode, 1978: 228).[54] A deleterious consequence of the importation of unsuitable technology by MNCs into Nigeria, according to Onimode (1978: 225), is the "historical technological underdevelopment of the country." Overall, critics contend that the importation of technologies by MNCs hinder the development of technological capabilities in the LDCs (Spero and Hart, 2010: 309).

Moreover, dependency scholars take exception to liberals' argument that MNCs provide employment in host countries. Dependency narratives contend that MNCs do little to ameliorate (but sometimes exacerbate) the problem of unemployment in LDCs. MNCs' acquisition of existing local firms not only stifles local entrepreneurship but may also lead to job losses. Citizens may also lose jobs where domestic firms (which collapse ultimately) are unable to compete successfully with MNCs.[55] As critics argue, MNCs contribute little to labour in LDCs when they employ expatriate staff instead of training local citizens or hire away local skilled workers (Spero and Hart, 2010: 309). In order to buttress this point, dependency scholars also point out that MNCs use capital-intensive technologies that typically employ and benefit a few local people.

In a scathing critique, Onimode (1978) views MNCs as agencies that hinder the cultural, economic, political and technological development of LDCs. The organisational superiority

[54] Onimode's (1978) article, based on empirical data, consisted of several scathing criticisms of MNCs and their activities in Nigeria. Still on how MNCs' operations impacted on the technological capabilities of the country, Onimode (1978: 225) argued that corporations "not only halted the pace of indigenous technological development by Nigerian blacksmiths, iron-smelters, brass-workers, weavers, and the like by eliminating their markets through import of manufactures and subsidiary production, but also spread the illusion of technological transfer."

[55] Contrary to the argument by proponents that the entry of MNCs creates competition as domestic firms are compelled to become more efficient and improve their productivity, critics argue that the economic strength of MNCs allows them to outcompete or cripple local businesses, thereby creating oligopolies or even a monopoly in the host economy (Blomström and Kokko, 1998: 5; Haley, 2001: 28; Fieldhouse, 2001: 177).

of the MNCs and their affiliation with home governments enable them to dominate states, to further hegemonic, neo-colonial interests, and to subvert national aspirations in the Global South. Efforts by MNCs to subvert the national interests of the LDCs take overt and subtle forms. Through their advertisements and promotional activities, MNCs shape consumer preferences in ways that erode local tastes and practices. For example, Onimode (1978: 229) argues that MNCs subtly but deliberately undermine cultural norms through their assault on national dress as they insist on "tie and collar". The result is the subversion of cultural expressions such as in dress and grooming. In this context, the propagation of foreign cultures, civilisations and lifestyles by MNCs is seen an embodying cultural hegemony, which erodes even healthy aspects of local customs and traditions. A case in point is the advertising policy of multinational diary producers, which although is non-coercive but insidiously persuasive, promotes bottle-feeding but discourages breast feeding, thereby leading to infant illness and death in many LDCs.[56]

According to the dependency school, interference in the domestic affairs of host countries constitutes the most devastating impact of MNCs' operations in LDCs. Indeed, political interference by MNCs in host countries' politics has attracted the most strident criticism as it is construed as an assault on sovereignty. MNCs interfere in domestic politics through legal and illegal activities. Legal activities include lobbying of political elites and contributing to political parties (where and when this is permissible). MNCs engage in illegal activities that include the hiring of private armies, making illicit contributions to political parties, paying bribes to politicians and government officials, and exerting inordinate pressure on governments (for example, enlisting home governments' support in their bid) to avoid compliance with host countries' laws and regulations (Nye, 1974: 156; Spero and Hart, 2010:

[56] Based on evidence from Chile, Mexico, Nigeria, the Philippines, Sierra Leone, and Tanzania, a report on the aggressive promotion and sale of infant formula by MNCs characterizes the efforts of the companies as "hawking disaster in the Third World" (Mokhiber, 1987: i. d.).

311). Given their power and affiliation with home governments, these legal and illegal activities enable MNCs to support friendly host governments or subvert/overthrow unfriendly host governments, regardless of the preferences of the local population.

Dependency narratives on MNCs' operations in LDCs refer to a few notable cases of blatant interference by MNCs in host countries' politics to illustrate MNCs' affront to sovereignty. The foremost instances are the interventionist activities of American multinationals in Latin America in the 20th Century. For example, the United Fruit Company in Guatemala in the 1950s orchestrated the military overthrow of the democratically elected government of Colonel Jacobo Arbenz Guzmán. The company, using the threat of communism in Guatemala, lobbied the Central Intelligence Agency (CIA) to support the 1954 Guatemalan *coup d'état* which ousted Guzmán and installed a military regime headed by US-backed Colonel Carlos Castillo Armas (Schoultz, 1998: 337-340). In Peru in 1968, a dispute between the International Petroleum Company and the democratically elected government of Fernando Belaúnde provided the catalyst for the military overthrow of Belaúnde's administration (McClintock and Vallas, 2003: 25). In the 1970s, the International Telephone and Telegraph Company "actively sought, first, to prevent the election of Salvador Allende as the president of Chile and, once Allende was elected, to engineer his overthrow" (Spero and Hart, 2010: 312). These instances of "ruthless politics of intervention" by MNCs (Spero and Hart, 2010: 312) subverted the sovereignty of affected Latin American countries.[57] In all the cases cited here, American multinationals lobbied or collaborated with their home government to effect regime changes in host countries. Collaboration between MNCs and home governments engenders and sustains a mutually beneficial relationship in which home governments protect the interests of MNCs in their operational environments while MNCs

[57] An extreme form of interference by MNCs in host countries is corporate complicity in conflict, which is discussed subsequently in this study.

serve as foreign policy tools of home governments. Based on such collaboration between home governments and MNCs, which entrenches the power asymmetry in North-South relations, proponents of dependency analysis view MNCs as agents of Western hegemony and neo-colonialism (Onimode, 1978; Udofia, 1984).

Empirical evidence and arguments, advanced by the liberal and radical schools respectively, clearly suggest that there are relative positive and negative impacts of MNC operations on host countries. Contending narratives presuppose that the activities of MNCs produce different effects in the same or in different operational contexts. On this point, Fieldhouse (2000: 176) notes that "[e]ach corporation and each country is a special case. Individual examples can neither prove nor disprove general propositions. Thus no general theory of the MNC and its relationship with the sovereign state can be drawn up." Fieldhouse's point is borne out by several overlapping and contradictory realities. In one instance, the interests of states and those of MNCs may coalesce (for example quelling agitations in resource-bearing communities and ensuring uninterrupted resource extraction, or processing, or export) while in another, those interests may clash (for example payment of royalties/taxes, assuming responsibility for ecological problems). On one hand, the relationship between an MNC and the host government may be cordial and symbiotic. On the other hand, acrimony may characterise MNC-host government relations. Based on these relationship dynamics and depending on the perceived impact of each scenario on investment, MNCs may facilitate regime consolidation or support regime change.

In the final analysis, contending paradigms on MNCs reflect the Janus-faced character and effects of MNC operations in host countries. As this section shows, these paradigms provide explanatory frameworks for unpacking the ambivalent roles of MNCs and the variegated effects of their activities in conflict zones. That said, MNCs (reflecting the assumptions of the liberal school) often portray their community-based projects and provision of social infrastructure in LDCs as contributions to welfare/development in host environments. This idea, which is encapsulated in the contested concept of CSR, is advanced to demonstrate that MNCs are not exclusively about profit.

With the intention of setting the analytical context for answering the research question on MNCs' roles in conflict zones, the sections that follow examine facets of corporate behaviour in the public sphere. The analyses will focus on narratives that unpack the societal roles of MNCs and which ultimately underpin the ways that MNCs are perceived respectively by the liberal and radical schools. This task will be undertaken with reference to the examination of (firstly) the concept of CSR, which lend credence to the assumptions of liberal theory, and (secondly) the roles of corporations in conflict zones, which exemplify the tenets of dependency theory. The next section examines the notion of CSR, which in the context of this research, provides the bedrock for understanding constructive engagement by MNCs in the public sphere, especially corporate initiatives that seek to promote peace in conflict zones.

3.3 Seeking profit, doing good: corporate social responsibility

> "Everything a company now does it does in the public gaze" (Humphreys, 2000: 129).

The question regarding the role that business should play in society is not a new one. In the late 1770s, classical economist, Adam Smith used the concept of the "invisible hand" to describe the societal prosperity inadvertently engendered by capitalists whose preoccupation was self-interest (in Wan-Jan, 2006: 176). Smith argued that corporate activities intended to generate profit unwittingly resulted in societal benefits such as enhancing social welfare.

Since Smith's assertion in the 1770s, scholars have debated the social responsibility of corporations as well as the impact of business activities on society. The historical discourse of corporate activities created and followed an analytical binary between private interest and public good. Although the scholarly debate on the relationship between business and society has been a long one, the epistemic contours of the debate have been shaped since the 1950s by an "embryonic and contested concept", namely CSR (Idemudia, 2010: 833).

An examination of the literature shows that there is no generally accepted definition or meaning of CSR. In other words, there is a great deal of disagreement about the nature, scope and elements of the concept. The definitional imprecision of CSR indicates that the term encapsulates several ideas and different elements (Lin-Hi, 2010: 79). CSR has been associated with terms such as "corporate giving", "corporate volunteering", "personal values of managers", "stakeholder dialogues", "corporate philanthropy" (Lin-Hi, 2010: 81), "corporate citizenship", "responsible business" (Ismail, 2009: 199), and "business ethics" (Yang and Rivers, 2009: 156). Almost everything that the corporation does in society is associated with CSR, thus reflecting the tortuousness of the concept. Although "the lack of a widely agreed definition [has] contributed to misunderstandings and cynicism towards the concept" (Wan-Jan, 2006: 176), it remains an important idea that underpins the ways that "businesses frame their attitudes, strategies and relationships with their stakeholders" (Idemudia, 2010: 833). CSR speaks to the societal roles that corporations perform. These roles are defined primarily by firms or are championed by stakeholders in the society.[58] Therefore, business practices and extant literature on CSR frame the concept as a business strategy or as an ethical position. This dual conceptualisation of CSR is evident in the various definitions of the term.

[58] A stakeholder is an entity that affects, or is affected by, the operations of an MNC. See subsection 4.4.3 in Chapter Four for an elaboration of stakeholder theory.

McWilliams and Siegel (2001: 117) define CSR as "actions that appear to further some social good, beyond the interests of the firm and that which is required by law." The European Commission (2001: 5) defines CSR as "a concept whereby companies decide voluntarily to contribute to a better society and a cleaner environment." It refers to a range of initiatives through which "companies integrate social and environmental concerns in their business operations and in their interaction with stakeholders on a voluntary basis" (European Commission, 2001: 366). Smith's (2002: 42) definition extends the European Commission's by identifying the stakeholders and including a firm's policies. CSR, according to Smith (2002: 42), refers to "the integration of business operations and values whereby the interests of all stakeholders, including customers, employees, investors, and the environment are reflected in the organisation's policies and actions." Kok *et al*. (2001: 287) define CSR as "the obligation of the firm to use its resources in ways to benefit society, through committed participation as a member of society, taking into account the society at large, and improving welfare of society at large independently of direct gains of the company." These definitions highlight the voluntary nature of CSR and the centrality of social and environmental concerns to the CSR agenda. However, it should be noted that the adoption of CSR by a company may not always be voluntary, or defined solely by the company, but may be brought about by legislation and/or pressures from stakeholders.

The usefulness of these definitions notwithstanding, Secchi (2007) advocates a definitional shift from a narrow conception of CSR as corporate philanthropy to one that sees the concept as "the contribution that the corporation provides for solving social problems" (Secchi, 2007: 347). Accordingly, Ismail (2009: 199) defines CSR as the strategies that corporations adopt to ensure that they conduct their operations "in a way that is ethical, society friendly and beneficial to community in terms of development." In this context, CSR embraces a range of activities that produce beneficial impacts for society. These activities include socially sensitive investment, collaboration with local communities, and the promotion of environmental conservation and sustainability (Ismail, 2009: 199). This definitional shift is recasting the role of business in society, thereby reframing the CSR agenda. In the context of globalisation and the increasing influence of corporations, businesses are now seen as important actors in the process of social transformation. This is because the activities of corporations have far-reaching impacts, not only on corporations but also on society in general. This realisation underpins the "business case" for CSR.[59] In terms of the underlying incentives for CSR, an examination of the literature – as noted earlier – shows that the term is generally analysed from two prisms: as an ethical position or as a business strategy.

From the ethical perspective, corporations may undertake CSR activities based on principle or conviction. In this case, four explanations are pertinent. First, corporations "expect nothing back from their CSR activities" and they behave responsibly simply because "that is the noble way for corporations to behave" (Wan-Jan, 2006: 178). Second, corporations are guided by "enlightened self-interest" in which case corporations obtain tangible or intangible benefits from the execution of CSR activities. Third, and related to the second idea, is that CSR activities bode well for investment as the stock market may respond favourably to socially responsible practices by corporations. Finally, corporations may implement CSR activities in order to insulate themselves from external political pressures from either the government or civil society (Wan-Jan, 2006: 178). These four incentives for CSR give

[59] The "business case" is "the notion that acting in a responsible manner is good for profits." It links corporate actions in the societal domain to firms' bottom line, that is, profits. For example, effective environmental management by firms may reduce the costs of production, increase the efficiency of the production process and hence increase profits (Hamann, 2003: 242). If this argument is taken as given, the underlying incentive for CSR may be far from altruistic but rather a gimmick to further the profit-seeking motive of corporations.

substance to the concept from an ethical perspective, which places very little or no emphasis on the gains that accrue to corporations.

CSR as a business strategy focuses on the benefits that corporations reap from the implementation of CSR activities. This perspective sees CSR as a means to maximise shareholder value. On this point, Carroll (1979: 499) argues that the preeminent social responsibility of business is to make profit; other obligations that corporations have towards society are secondary. Therefore, a corporation implements CSR activities with a view to deriving benefits such as becoming more competitive, obtaining favourable market ratings, and reaping more profits. In this case, the implementation of CSR activities is a business strategy that is aimed at fulfilling the primary objective of the corporation – profit maximisation.

In addition to these two paradigms, a school of thought rejects the notion of CSR. In this regard for instance, Connolly's (2012: 1228-1249) study refers to CSR as "a duplicitous distraction". This rejection of CSR draws from Milton Friedman's famous expression that the "business of business is business" (quoted in Marsden, 2000: 10). Although altruistic CSR may be predicated on the perceived "social contract" between the corporation and society, it is not and should not be the concern of firms. This interpretation of CSR maintains that altruistic CSR does not fall within the scope of corporations' objectives or activities. Based on this "Friedmanesque" interpretation, "businesses taking on social responsibilities lead to distortions of the market and interfere with the government fulfilling its responsibilities" (Hamann and Acutt, 2003: 257). Hence, the argument goes thus: government's role is to provide social services while the preoccupation of business is to make profits. There is a clear distinction in the mandates of government and of business. CSR blurs this distinction. More than this, CSR undermines the profit motive of firms. Viewed from a "Friedmanesque" angle, CSR is "a dangerous concept … that threatens the basic principles of market economy" (Wan-Jan, 2006:179). Notwithstanding this attempt to reject the conceptual legitimacy of CSR, the concept has shown remarkable resilience and has remained an important phenomenon in business theory and practice.

Yankson (2010: 358) posits that the "development of CSR reflects the growing expectations of the community and stakeholders of the evolving role of companies in society, and in turn their response to growing environmental, social, and economic pressures." In this regard, civil society actors have exerted pressures on corporations because of the impacts of their activities, especially on the environment. For example, critical incidents such as the Bhopal disaster in 1984, the Exxon Valdez oil spill in 1989, ecological crises (such as acid rain, arid farmland and poisoned rivers) in Nigeria's Niger Delta, and the Deepwater Horizon oil spill in the Gulf of Mexico in 2010 have foregrounded the impacts of business operations on society.[60] These incidents have heightened the awareness in the public domain about corporate values and activities as well as their economic, ecological, social, and political impacts. In other words, these incidents have given impetus to the notion of CSR and strengthened its relevance in business-society relations. Stakeholders – more importantly, civil society organisations – are increasingly examining corporate behaviour in the light of CSR principles. More often than not, corporate actions that have deleterious impacts on society generally attract opprobrium from local and/or international civil society actors.

[60] See Varma and Varma (2005) for a discussion on the Bhopal disaster; Keim (2009) on the Exxon Valdez oil spill; and Robertson and Krauss (2010) on the Deepwater Horizon oil spill. There is extant literature on Nigeria's Niger Delta region. On the ecological dimensions of the Niger Delta problematique, see Babatunde (2010) and Ebiede (2011).

The increasing awareness of the social responsibility expected of corporations has engendered interventionist characterisations such as “name and praise” (positive image) and “name and shame” (negative image) which are attached to corporate behaviour (Hamann and Acutt, 2003: 260). In view of the reputational effects of corporate behaviour on business, corporations may choose to “do no harm” or “do good” in their operational environments. In choosing to “do good”, corporations apply CSR principles in their operations while seeking profit in the process. This suggests that the concept of CSR is flexible enough to enable the profit-seeking objective of MNCs as long as companies implement activities that offer some benefit for the society in which they operate.

Given the conceptual currency and normative imperative of CSR, corporate behaviours that have negative impacts on society are generally deemed to be at variance with “good practice” or a violation of CSR principles. There is expectation (on the part of stakeholders in society) for businesses to demonstrate commitment to CSR principles, especially in operational environments characterised by weak state capacity, political instability and conflict. The absence of regulatory frameworks (or their inadequacy) in such environments potentially offers companies the “opportunity” to violate CSR principles or engage in illicit behaviour in their quest for more profit. Yet, in these geo-political environments with little or no room for accountability, businesses can demonstrate their commitment to CSR – a commitment that stems possibly from corporate conviction rather than the fear of societal sanctions. Increasingly, there is robust advocacy for voluntary compliance by MNCs with CSR principles and corporate codes of conduct.[61] As will be shown in this study, corporate actions

[61] The *OECD Guidelines for Multinational Enterprises* represent an attempt at institutionalising corporate codes of conduct for MNCs that are headquartered or operating in OECD member states. The main drawback of this mechanism, however, is that it is non-binding, thus limiting its utility to holding MNCs accountable and responsible for their activities in operational environments.

in conflict zones can either cohere with or deviate from CSR principles. Next, this chapter reviews the key trends in and typologies of corporate behaviour in conflict zones.

3.4 Corporations in zones of conflict

> The impact of the pursuit of economic interests in conflict areas has come under increasingly critical scrutiny (Kofi Annan, quoted in Bennett, 2002: 395).

One of the key realities associated with the phenomenal expansion of MNCs is that some corporations now operate in conflict zones or conflict-prone areas. MNCs become entangled in conflict environments in two basic ways. First, an MNC may commence operations in an area prior to the onset of conflict, but the company is subsequently caught up in the conflict situation. Second, an MNC may invest in, or move into, an environment that is already plagued by conflict. In the second case, the decision to invest or commence operations in the conflictual environment is based on a strategic calculus – the company's ability to contend with the volatility associated with the conflict. Whether a company's presence predates the onset of conflict or is subsequent to it, its activities affect and are affected by the dynamics of conflict. Typically, a company's actions or inactions shape the trajectory of conflict in fundamental ways to produce conflict dynamics such as escalation, or perpetuation, or de-escalation. In other words, corporate behaviour in conflict zones impinges on the transformative potential of conflict. This section examines the forms of corporate behaviour in the zones of conflict.

The key motivation of MNCs in expanding into conflict-prone environments is "attributed to the existence of natural resource-based assets and higher potential return" (Kanagaretnam and Brown, 2006: 3). For example, this motivation accounts for MNC investment in Colombia, Indonesia, and the Philippines, despite the prevalence of violent conflicts in these countries.

In view of the "pull" factors in conflict-prone and fragile countries, "recent history of several conflicts has shown that access to lucrative economic resources with the active participation of multinational corporations (MNCs) has played an important role in fomenting and sustaining conflicts" (Kanagaretnam and Brown, 2006: 1). The involvement of MNCs in the first Liberian civil war (1989-1996) corroborates this claim, as "the warlord, and later the President, Charles Taylor was able to secure economic partnerships with major MNCs in sustaining his rebellion during the initial stages" (Kanagaretnam and Brown, 2006: 1). Another case in point has been the "[a]ctive involvement of leading MNCs in trade in 'conflict diamonds' in Central Africa, with the full knowledge that they were engaging in trade in illicit diamonds – consequently aiding and abetting the continuation of a deadly war" (Kanagaretnam and Brown, 2006: 2). Undoubtedly, the quest for profit has been the foremost motivation for corporate investment in conflict-prone environments.

Moreover, as Kanagaretnam and Brown (2006: 10) observe, "focusing on profits to the exclusion of other considerations has resulted in [MNCs] getting involved either directly or indirectly in fomenting and sustaining tensions or civil wars in several countries." Thus, MNCs' fixation with profit maximisation has resulted in investment decisions and illicit corporate behaviours that invariably exacerbate conflict. Even the actions of government, which are intended to promote the economic interests of MNCs and to protect the revenue base of the government, have generated tensions and conflict. In resource-rich countries such as Angola and Nigeria for example, the routine deployment of military personnel to protect MNCs' facilities invariably exacerbates conflict (Kanagaretnam and Brown, 2006: 3) as this often pits the government/MNCs against resource-bearing communities.

It can be deduced from Kanagaretnam and Brown's (2006) analysis that the presence of natural resources in a geographical area plagued by conflict shapes (the logic of) corporate behaviour, including investment decisions. MNCs are generally attracted to lucrative natural resources. Investment by MNCs or their presence in conflict zones (to access natural resources that are implicated in conflict initiation or perpetuation) directly or invariably links companies to conflict. MNCs' extraction and sale of natural resources also link them to conflicts. As noted in section 2.2.1, the involvement of profiteering networks, such as MNCs, may exacerbate and prolong conflicts. In the context of state fragility or state failure[62] for instance, corporate actions in conflict zones have a decisive impact on conflict and peacebuilding processes.

As Patey (2006a: 5) observes, "the interactions between fragile states and MNCs are critical for prospects of peace and development" in conflict-prone environments. Whenever MNCs become complicit in illicit activities, the potential for peacebuilding is undermined. Put differently, corporate complicity offers little incentive to belligerents (that benefit from natural resource extraction) to seek peace as MNCs provide the financial muscle that belligerents require to sustain the war effort. In this regard, "MNCs factor into the equation of contemporary civil war by functioning as economic vehicles that allow domestic actors to realize value from local assets through the global marketplace" (Patey, 2006a: 5). Conversely, MNCs' withdrawal from conflict zones, their commitment to "do no harm" and their support for peace processes weaken the economic incentives for conflict perpetuation.

[62] For instance, of 178 countries, the DRC – this study's location – is ranked second after Somalia on the failed states index (FSI) for 2013 (Fund for Peace, 2013a: i. d.). The FSI uses a "Conflict Assessment System Tool (CAST) analytical platform" which assesses the "vulnerability of states to collapse" (Fund for Peace, 2013b: i. d.) based on economic, social and political factors in "pre-conflict, active conflict and post-conflict situations" (Fund for Peace, 2014: i. d.). Countries plagued by conflicts, those prone to conflicts, economic implosion and human displacement, rank highest on the FSI. In addition, as the DRC case illustrates, a weak central government is a defining feature of state fragility or state failure.

Patey's (2006a) study, which examines the operations of eight MNCs in the Sudan, emphasizes the point that a combination of domestic and international factors influences the behaviour of each corporation. There are "critical differences" that shape the individual behaviour of MNCs such that it is difficult to formulate generalisations based solely on the profit-seeking logic (Patey, 2006a: 3). These "critical differences" explain why some MNCs choose to stay in while others exit conflict zones. For example, the critical variables that shape corporate behaviour include:

(i) firm-specific factors (such as size, type of business activity, ample financial power and extensive international operations);

(ii) the host country environment (including the geography of conflict/proximity of military activity, community relations, and state interest); and

(iii) the international environment (encapsulating variables such as the relationship between MNCs' host and home governments, pressure from international NGOs, advocacy groups in MNCs' home markets, and prices of commodities in the international market).

The aforementioned factors, which apply differently to each MNC, underscore and combine variously to determine corporate behaviour in zones of conflict (Patey, 2006a: 40-51). The fact that an MNC's profile in relation to each of these factors differs from that of a counterpart engenders complexities of corporate behaviour and its analysis thereof.

In another study, Patey (2006b: 1) posits that MNCs are linked to conflicts, especially "resource wars" "through the extraction of natural resources such as oil, natural gas, timber, diamonds and other precious metals". Additionally, MNCs are imbricated in conflicts through "upsetting environmental and social balances in the local communities in which they operate and by financing unaccountable, often repressive host governments" or parties to a conflict (Patey, 2006b: 1). MNCs' collusion with rebels or militias and their involvement in illicit trade of natural resources ("conflict diamonds", for example) epitomise this aspect of the corporate-conflict dynamic, which speaks to the complicity of MNCs in perpetuating conflict.

With reference to corporate behaviour, Berman (2000: 28-32) outlines five variables in the analysis of the strategies of MNCs in conflict areas: geography of conflict; severity of conflict; government and opposition; sector of industry; and investment structure. Generally, MNCs tend to exit a conflict zone if the geographic impact of conflict is large. However, MNCs may still "do business where the geographic impact of fighting is large [for example in Colombia where nearly forty percent of the country [was] in rebel hands] so long as conflict is contained and relatively stable" (Berman, 2000: 29). Furthermore, MNCs typically tolerate isolated incidents of violence as opposed to frequent, large-scale conflicts. Perceptions and attitudes of the government and the opposition towards MNCs (whether these, from the companies' perspective, are favourable or not) also influence corporate behaviour in a conflict situation. According to Berman (2000: 31), the nature of an MNC's industry determines its strategies in a conflict zone. For example, the resilience of MNCs in the extractive sector (that is, their general willingness to enter or remain in a conflict zone) is attributable to the substantial yields on investment in which benefits generally outweigh costs associated with operating in a conflict environment. Therefore, an investment structure that yields substantial returns for MNCs and that retains funds offshore typically make MNCs more tolerant of conflict (Berman, 2000: 30-32). Nevertheless, MNCs generally prefer an investment portfolio with low risk from armed conflict.

Richani's (2005: 115) study is anchored on the empirical observation that MNCs in the extractive sector "find in markets of violence a favorable opportunity to obtain better contracts for investment when states' authority has either partly or totally collapsed." In this same scenario characterised by state incapacity, MNCs are "motivated by the potential favorable concessions they could extract from a beleaguered state badly in need of extra income to sustain its war against a growing armed insurgency" (Richani, 2005: 115). Based on these considerations, Richani's study (2005: 113) discusses MNCs' contribution "to the escalation of land conflicts and to the violent transformation of the rural economy" in Colombia.[63] Two types of companies contributed to, and benefitted from, the Colombian civil war.

In the first category were companies with investments in the extractive (oil, coal, and gold) industry which "found an investment opportunity in the civil war but did not depend exclusively on the market of violence for capital formation and accumulation" (Richani, 2005: 116). These companies mainly financed the war system's actors in furtherance of their own economic agendas. Specifically, multinational oil companies were instrumental to the formation of right-wing paramilitary groups and to the economic sustenance of guerrilla groups in the 1980s. According to Richani (2005: 125), MNCs funded the war system through a "rentier system" in the form of "protection payments" to the state, guerrillas, paramilitary groups, and private security multinational corporations (PSMCs). These payments enabled belligerents to finance their war efforts.[64] The monies provided by MNCs "helped to establish a military balance between the guerrillas and the state, satisfying two

[63] Colombia, ranked 57th on the FSI in 2013 (Fund for Peace, 2013a: i. d.), has been in the throes of a decades-long low-intensity conflict between the government and a guerrilla movement – the FARC (*Fuerzas Armadas Revolucionarias de Colombia* [Revolutionary Armed Forces of Colombia]). Although there has been some progress towards peace, Colombia, retains the trappings of a fragile state.
[64] Richani estimates that MNCs provided between 40 percent and 60 percent of guerrillas' income in the 1980s and the 1990s. Remarkably, this income from MNCs was greater than what the FARC gained from taxing the extremely lucrative narcotrafficking industry (Richani, 2005: 126).

major conditions for the consolidation of the war system: a military impasse and enough economic resources to sustain a positive political economy for the guerrillas, making the impasse comfortable" (Richani, 2005: 126).[65] In line with the logic of "comfortable impasse", MNCs in the extractive sector are likely to retain, protect and/or increase their investments in conflict zones. An examination of MNCs' roles in Colombia leads to an inexorable conclusion: these corporations, *ipso facto*, "became agents of violence" (Richani, 2005: 116). Thus, Richani's (2005) empirical study lays bare an aspect of MNCs' complicity in conflict.

The second category of companies involved in the Colombian conflict comprised "private security corporations, for which the market of violence is the main resource for capital formation and accumulation" (Richani, 2005: 116). PSMCs complexified the Colombian conflict by exacerbating "the legitimacy crisis of a state that has never managed to establish its monopoly over the use of force since its independence in 1810" (Richani, 2005: 134). It is instructive to note that the Colombian government as well as MNCs hired PSMCs to carry out combat and reconnaissance operations that they could not perform. The use of PSMCs led to the "privatization of war", a heightening of the rentier economy, and a fixation with the profit maximisation logic in which the perpetuation of the Colombian conflict was seen as offering economic incentives that seemed unattainable in a post-conflict setting. In addition, the involvement of private security companies, especially American PSMCs, internationalised the Colombian war system. For example, corporations "increasingly importuned the United States to act more aggressively to protect their investments" (Richani, 2005: 137) – an exhortation that Washington responded to favourably by bolstering its military presence in Colombia. The companies in the two categories "represent[ed] an

[65] According to Richani (2005: 138), a "comfortable impasse is created when the actors' political risks are minimal if they maintain a condition of war, whereas the costs or risks of peace may be higher than the costs of war."

intersection of interests between local and international agents" (Richani. 2005: 116), thus lending credence to Richani's argument regarding the internationalisation of the Colombian war system. In sum, Richani (2005: 113) posits that the perpetuation of the Colombian conflict was attributable to the role of the corporations "in fomenting and financing the war system". The performance of these roles by MNCs produced mutually beneficial strategic outcomes for the government-MNC alliance – regime survival for the government and the furtherance of MNCs' profit maximisation agenda.

Granted, MNCs that operate in conflict zones may be able to maximise profit. However, they may bear certain costs or incur losses, including reputational harm that could put their investments in jeopardy. MNCs may bear costs associated with risk management, maintenance of security services, and material loss to company and public infrastructure. In light of increasing local and international attention to the corporate-conflict nexus, a company's reputation may be damaged (perhaps irreparably) by its involvement in "incidents that incite or exacerbate conflict" (Kanagaretnam and Brown, 2006: 3). Growing public scrutiny of corporate behaviour is propelling a shift from profit maximisation at any cost to conflict sensitive investment and business practices. A significant initiative aimed at promoting conflict sensitive corporate behaviour in the diamond sub-sector, albeit characterised by limitations and violations, is the Kimberly Process.[66] Evolving local and international advocacy efforts, geared towards the promotion of corporate responsibility in fragile political environments, are anchored in the recognition that businesses have the capacity to contribute to conflict prevention and attenuation. While the involvement of MNCs in conflict transformation initiatives may be motivated by self-interest (for example

[66] The Kimberly Process (KP), or the Kimberley Process Certification Scheme (KPCS), is an international governmental certification regime that was emplaced to prevent the trade in diamonds that help to finance conflict. The scheme requires governments to certify that diamonds are conflict-free, that is are not extracted from conflict zones, or do not fund violent conflict. For an overview of the KPCS and its limitations, see Grant and Taylor (2007: 385-401), and Bieri (2010).

improving the business environment for profit maximisation), Kanagaretnam and Brown (2006: 4-5, 13) argue that such initiatives can address the root causes of conflicts (such as poverty and economic exclusion), impact positively on efforts at promoting peacebuilding, and help to stabilise fragile states. Yet, an examination of the literature on the corporate-conflict nexus shows that instances of corporate peacebuilding pale into insignificance when compared to those of corporate complicity in conflict.

Given the complicity of MNCs in conflict, civil society actors are focusing increasingly on how corporate actors can support conflict transformation and development initiatives. This is premised on the realisation that, as powerful economic actors, MNCs can channel their potentialities towards constructive ends by initiating and supporting peacebuilding efforts. Potential and actual conflict transformation activities by MNCs represent the other side of the coin in the corporate-conflict dynamics. Conflict transformation activities by businesses constitute corporate peacebuilding – a novel phenomenon in conflict research. Hence, as Bennett (2002: 394) aptly notes, some – though limited – corporate-conflict analyses have begun to highlight the "other" dynamic, namely "the responsibility MNCs share in promoting peace and avoiding conflict." This responsibility arises from the expectation (on the part of stakeholders) that MNCs should play decisive roles in preventing or lessening "conflicts that are associated with economic production" (Bennett, 2002: 394). In addition, the responsibility to initiate or support corporate peacebuilding efforts hinges partly on the "pro-CSR" view that doing so makes business sense. In line with the "business case", MNCs' routine actions or specific interventions can propel conflict transformation processes. Regarding this point, Bennett (2002: 397) postulates that MNCs facilitate peacebuilding through the provision of humanitarian relief and responsible management of companies' security arrangements to forestall human rights violations. In the aftermath of a war, corporate initiatives such as “rebuilding infrastructure and investing in key productive sectors” facilitate post-conflict reconstruction (Bennett, 2002: 397). The performance of these functions by MNCs is reflective of their (MNCs’) potential and actual contributions of corporate peacebuilding.

In view of the heavy costs that businesses bear in conflict zones, Nelson (2000: 6) posits that the case for “corporate engagement in conflict prevention and resolution is compelling.” Therefore, investment decisions and corporate actions increasingly seek “to avoid the direct and indirect business costs of conflict and to reap the business benefits of peace” (Nelson, 2000: 11). Yet, facilitating peacebuilding is by no means an easy task for MNCs. Investment decisions and corporate actions are shaped by individual company attributes (factors over which the company has some control) and structural variables at the local/community, national and international levels (factors over which the company has less control, or which are beyond the company’s control). Still, a company that has little or no control over certain factors can contribute towards peacebuilding through synergies with stakeholders (Nelson, 2000: 12). According to Nelson (2000: 27-34), five principles underpin corporate involvement in peacebuilding. These are:

(i) *strategic commitment* to good practice (for example compliance, risk minimisation, and value creation);

(ii) *risk analysis and impact assessment* (of company’s operations in a conflict zone);

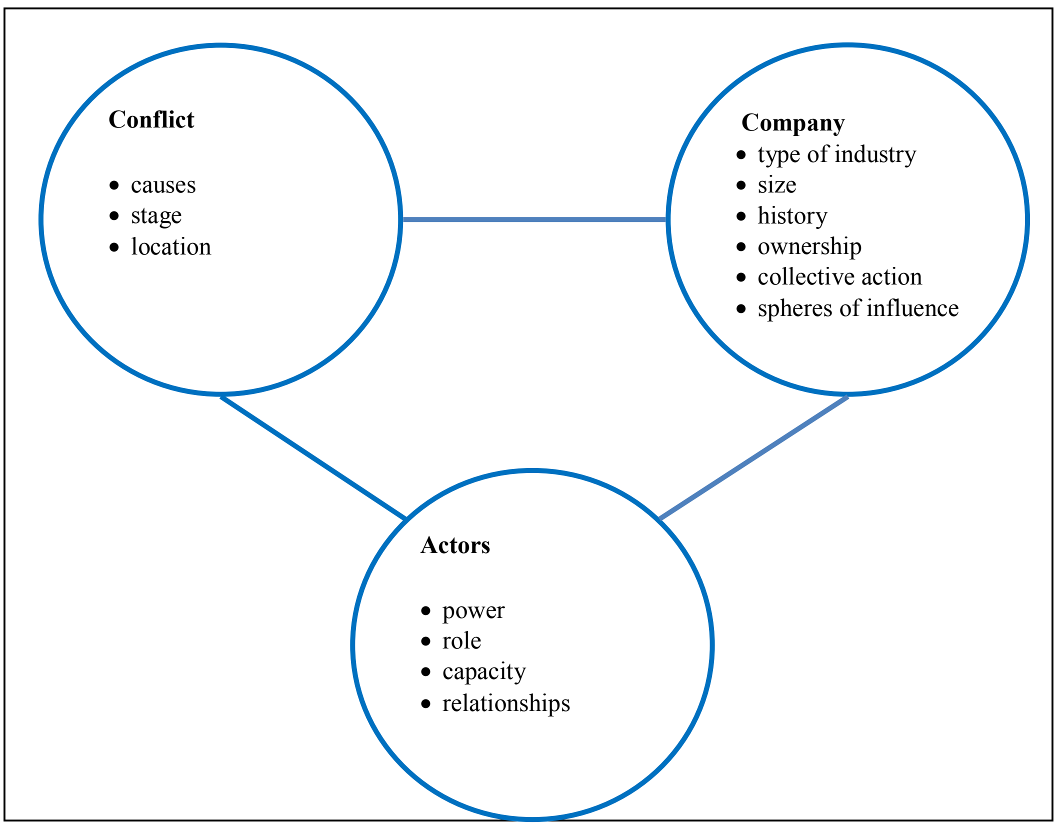
(iii) *dialogue and consultation* (with governments, NGOs and communities);

(iv) *partnership and collective action* (for creating and sustaining mutually beneficial collaboration between business, government and civil society);

(v) evaluation and accountability (that is, a process that seeks to "understand, manage, measure, [verify and report on the] positive and negative social, economic and environmental impacts" of a company's operations).

The aforementioned principles combine with three key factors to determine corporate behaviour in conflict zones (Nelson, 2000: 37). These three factors are: (i) the nature of the *conflict* (ii) the activities and relationships of other *actors* and (iii) the characteristics of the *company*. Figure 3.1 depicts the key elements/considerations associated with each factor.

Figure 3.1: "Framework for analysing business engagement in conflict"



Source: Nelson (2000: 36).

The causes, stage and location of a conflict influence the role and responsibilities that a company performs. For instance, the stage of a conflict determines the kind of interventions that a company will undertake such as supporting dialogue, disarmament, or infrastructure rehabilitation. A company's involvement in the conflict transformation process also depends on the "proximity of conflict to the company's operations" (Nelson, 2000: 48). Company ownership, size and spheres of influence determine the extent, form and acceptance of company involvement in peacebuilding initiatives. It is important to add that the power, role and capacity of other stakeholders – government, NGOs and communities – constrain or enhance the performance of peacebuilding functions by MNCs. As Nelson (2000: 37) notes, it "is the dynamic and complex linkages between these factors that determine how a company either influences or is influenced by conflict in any particular situation. The linkages may operate on each other in different ways at different times." A logical deduction from Nelson's observation is that company- and environment-specific factors render generalisations about corporate behaviour rather tenuous. Nevertheless, MNCs – just like other actors – are able to contribute towards peacebuilding through specific and deliberate programmes of action. In practical terms, MNCs facilitate peacebuilding through their "core business activities, social investment programs, and engagement in policy dialogue and civic institution building" (Nelson, 2000: 45).

With regard to corporate behaviour in conflict zones, Banfield, Haufler and Lilly (2003: 5) identify three strategies through which MNCs play positive roles in a conflict situation: "compliance"; "do no harm"; and "peacebuilding". They argue that MNCs function as forces for good in a conflict environment by complying with national and international regulations even when the state is unable or unwilling to enforce these standards. In this context of state incapacity, a company's compliance with best practices demonstrates its commitment to social responsibility based on an internal strategic conviction or core value. Compliance also involves adherence to "any emerging international normative framework for governing corporate conduct in conflict zones" (Banfield, Haufler and Lilly, 2003: 5). MNCs may choose to "do no harm" by initiating and implementing policies that "minimise any damage that may result from their own operations or those of their business partners" (Banfield, Haufler and Lilly, 2003: 5). This speaks to the notion of "conflict sensitivity", which underscores the need for business actors to take cognisance of "their ability to create or exacerbate violent conflict through their real and potential socio-economic, political and environmental impacts" (Banfield, Haufler and Lilly, 2003: 5). Conflict sensitive business practices demonstrate a commitment by MNCs to prevent or alleviate situations that typically precipitate or exacerbate conflict.

According to Banfield, Haufler and Lilly (2003: 5), peacebuilding is at the pinnacle of MNCs' strategies for positive action in conflict zones. It surpasses the compliance and "do no harm" strategies. This elevated peacebuilding strategy entails proactive contributions by MNCs through "innovative social investment, stakeholder consultation, policy dialogue, advocacy and civic institution building" in collaboration with other companies (Banfield, Haufler and Lilly, 2003: 5). These peacebuilding activities are part of an evolving "business case" and corporate agenda in conflict zones. In this context, the positive roles that MNCs play in conflict zones draw from a commitment to CSR and an assessment of the long-term corporate benefits derivable from a stable operational environment. Having said that, it is pertinent to note here that the evolving corporate peacebuilding agenda exemplifies the broadening and the deepening of CSR.

As this section shows, empirical analyses of the corporate-conflict dynamic highlight the ambivalent roles of MNCs in zones of conflict. This study is located within the context of this analytical tradition. However, it is instructive to note that whilst conventional analyses of the nexus between MNCs and conflict highlight the activities of MNCs, the underlying motivations for corporate behaviour are largely ignored. Hence, Patey's (2006b: 1) apt observation that there "is a dearth of knowledge concerning the factors that guide the strategic behaviours of [MNCs]" in zones of conflict. In this regard, further "analytical, objective research is required" to unpack MNCs' behaviour in zones of conflict (Patey, 2006b: 2-3). This observation is of particular relevance in the case of the DRC where no systematic analysis of corporate behaviour in the country's conflict has been undertaken. Hence, this study addresses an extant gap in the research.

As this final section of the chapter shows, the roles that MNCs play in conflict zones influence the dynamics of conflict, including the prospects for peace. Such roles produce ebbs and flows that inform the trajectory of conflicts. The notion of *conflict transformation* – a key construct in conflict analysis – is used to unpack the ebbs and flows of conflict. It should be noted that while MNCs' involvement in resource-rich conflict zones influence conflict dynamics, MNCs are not the only actors in resource-related conflicts. There are other "stakeholders" whose involvement shape corporate behaviour and conflict dynamics. By focusing on other actors that influence corporate behaviour, the stakeholder theory furnishes insights into how interactions between MNCs and other parties shape conflict dynamics in conflict zones. In order to understand this link, the chapter that follows examines conflict transformation theory and stakeholder theory – which, in combination, comprise this study's theoretical framework.

3.5 Conclusion

This chapter has examined theoretical and analytical perspectives on conflict and MNCs. It discussed narratives on MNCs, which provide general prisms for understanding MNCs' roles in the public sphere in general and in conflict zones in particular. Its sections interrogated pertinent issues and debates on MNCs and their societal roles with a view to highlighting how these underpin the connections between MNCs and conflicts. Specifically, the chapter examined the liberal and radical paradigms, highlighting their overarching conclusions on MNCs. It was noted that while liberal paradigm views MNCs as "benign engines of prosperity" (Stopford, 1998-1999: 12) or as agents of transformative change, the radical/dependency paradigm contends that MNCs are agents of Western hegemony and neo-colonialism (Onimode, 1978; Udofia, 1984) or bulwarks against autochthonous development in the LDCs. It was concluded that the contending paradigms on MNCs are indicative of the Janus-faced character and effects of MNCs' activities in host environments.

The third section examined CSR in light of the arguments for and against the concept. Although there is some cynicism regarding the notion of CSR, it remains an important concept that speaks to an array of corporate actions that (potentially) offer some benefit for the society in which firms operate. It was noted that corporations implement CSR based on either intra-firm considerations or pressure from other stakeholders. The section concluded that the activities of MNCs in conflict zones – depending on where they are located in the conflict-peacebuilding continuum – typically detract from or cohere with CSR principles.

Based on the foregoing, the fourth section examined corporate-conflict dynamics with specific focus on the activities of MNCs in conflict zones. Relevant literature reviewed in this section highlighted the ambivalent roles of corporations in conflict environments. At one end of the spectrum, MNCs' strategies and actions in a conflict zone (or conflict-prone environment) could stoke tensions or create discord, exacerbate volatility/instability, trigger and/or or perpetuate conflict. At the other end, corporations could facilitate post-conflict reconstruction and peacebuilding through a range of initiatives such as the provision of humanitarian assistance and social services, peace advocacy and supporting national (or stakeholder) dialogues. The roles that each corporation plays in a conflict zone are shaped by an interplay of company-specific and local, national and international factors. In addition, such roles influence the trajectories of conflict, hence the relevance of conflict transformation to this study. The next chapter discusses conflict transformation and the theoretical perspectives on corporate governance in relation to MNCs.

CHAPTER FOUR

CONFLICT TRANSFORMATION THEORY AND STAKEHOLDER THEORY OF MULTINATIONAL CORPORATIONS

4.1 Introduction

The previous chapter presented theoretical and analytical perspectives on MNCs and conflict. It examined various discourses that touch on the characteristics and operations of MNCs as well as the impacts of their operations. The chapter also discussed corporate behaviour and initiatives that facilitate transformative societal change under the rubric of corporate social responsibility. Based on the theoretical perspectives on MNCs, it then examined corporate-conflict dynamics with a specific focus on the activities of MNCs in conflict zones. It was noted that MNCs' operations in conflict environments typically exemplify ambivalent behaviour. Corporate actions in conflict situations influence the trajectory of conflict, producing outcomes that escalate or alleviate conflict. The notion of *conflict transformation* encapsulates these dynamics of conflict.

This chapter narrows the focus, firstly, to conflict transformation theory and secondly, to stakeholder theory. It analyses the notion of *conflict transformation*, which this study utilises, to show the ebbs and flows that the involvement of MNCs in conflict zones engender. It is instructive to note that the involvement of MNCs in conflict zones in particular and in the public sphere in general typically produce impacts that provoke certain responses from other actors in host environments. In this context, the corporate governance regime in host environments determines the extent to which other actors can hold MNCs accountable and responsible. This chapter unpacks this idea by examining the two main corporate governance regimes that generally guide the interactions between MNCs and host environments. The chapter concludes with a synthesis of aspects of the corporate governance regimes in order to furnish a nuanced understanding of (the roles of) corporate actors in conflict zones in particular and in the public sphere in general.

4.2 The emergence of conflict transformation theory

The concepts of *conflict management*, *conflict resolution*, and – more recently – *conflict transformation* have become ubiquitous in peace and conflict studies. There are similarities as well as (significant and subtle) differences amongst these concepts. An important commonality amongst them is that they encapsulate attempts to stem the tide of conflict, or return to the *status quo ante bellum*, or to create conditions for peace. The three notions – conflict management, conflict resolution, and conflict transformation – "are the main concepts that have been developed in conflict research to describe as well as to explain the combination of processes, methods and attempts to alter a conflict situation" (Whetho, 2006: 64). Certain key assumptions foreground the main differences amongst the three conceptual constructs. Accordingly, this section seeks to tease out these differences as a prelude to providing a justification for a conflict transformation approach to explicating and organising this research.

According to Bloomfield and Reilly (1998: 18), *conflict management* is

> the positive and constructive handling of difference and divergence. Rather than advocating methods for removing conflict, [it] addresses the more realistic question of managing conflict: how to deal with it in a constructive way, how to bring opposing sides together in a cooperative process, how to design a practical, achievable, cooperative system for the constructive management of difference.

This definition presupposes that conflicts are long-term and ineluctable in human relations. As such, they are not resolvable in the short term. The point here is that conflicts are ineradicable. The conflict management approach holds that the idea of resolving conflicts is unrealistic. Against this backdrop, Miall (2005: 3) posits that "the best that can be done is to manage and to contain [conflicts], and occasionally to reach a historic compromise in which violence may be laid aside and normal politics resumed." As I have noted elsewhere, advocates of conflict management argue that "conflicts only become dysfunctional but are not resolved. Conflict is conceptualised as an ever-present phenomenon that spins in cycles but does not wither away" (Whetho, 2006: 64). On the practical plane, conflict management speaks to the reality in which powerful actors with enormous resources succeed in inducing warring parties to abandon the use of violence (Miall, 2005: 3) but not with a view to addressing the underlying causes of conflicts or resolving conflicts. Therefore, the goal of conflict management "is to control volatility rather than to address the underlying source of the problem" (Irish Peace Society, n. d: i. d.).

The conflict management perspective stresses the reduction of volatility or the control of instability. Critics argue, however, that the emphasis on reducing volatility or controlling instability undermines attempts at building sustainable peace as factors that engender conflict are overlooked. In addition, "the notion of [conflict] management suggests that people can be directed or controlled as though they were physical objects" (Irish Peace Society, n. d: i. d.). As this researcher notes elsewhere, the "assumption that it is always possible to manage parties and their differences so as to keep volatility at the barest minimum fails to acknowledge the complexity of human behaviour and the fact that humans are fundamentally different from apparatuses in the natural scientist's laboratory" (Whetho, 2006: 65). The implication of the logic of conflict management is that continuous attempts at checking or reducing volatility will always be required, while the effects of conflicts persist. A major drawback of conflict management is that it offers a short-term rather than a durable solution to conflict. In view of this, the conflict management perspective does not resonate strongly in peace and conflict analyses.

Conflict resolution is arguably the most popular concept in peace and conflict analyses. As Lederach and Maiese (2003: i. d.) observe, the concept of conflict transformation is "more well-known and widely accepted in mainstream academic and political circles." It refers to the process of clarifying issues in conflict, building bridges between parties in conflict, and creating opportunities for developing new relationships (between the parties) on the basis of peaceful change (International Alert, 1998: 28). The conflict resolution perspective states that it is possible to transcend conflicts if certain conditions are met: the parties should be able "to explore, analyse, questions and reframe their positions and interests"; the parties should be assisted to "move from zero-sum, destructive patterns of conflict to positive-sum constructive outcomes" (Miall, 2005: 3). The goal of conflict resolution is to create a win-win solution that caters to the interests and aspirations of parties to a conflict.

According to Bush and Folger (1994: 51), conflict resolution entails the manipulative search for an agreement that is acceptable to all parties to a conflict. It seeks to address the latent interests of all the actors involved in a conflict situation. Therefore, conflict resolution aims at an outcome that warring parties see as a permanent solution to the problem (Burton, 1991: 81).

The concept of conflict resolution has come under a barrage of criticisms. For instance, the use of the term, 'resolution', is based on the view that conflict is intrinsically pathological and dysfunctional (Upreti, 2002). The term implies that conflict is bad and therefore should be ended. In other words, the assumption is that conflict is inherently a negative phenomenon. However, conflict could also be healthy or constructive (Roberto, 2010). It may serve "as a vital agent or catalyst of change" (Miall, 2004: 162). Additionally, not all conflict is 'violent'. The idea of 'resolution' ignores the constructive aspect of conflict. Given its preoccupation with ending dysfunctionality, it pays little or no attention to the deeper causal basis of conflict. Lederach (1995a: 201) captures this point about conflict resolution thus: "perhaps unintentionally, this term carries the connotation of a bias toward 'ending' a given crisis or at least its outward expression, without being sufficiently concerned with the deeper structural, cultural, and long-term relational aspects of conflict." From this premise, the emphasis on resolution is seen as a major drawback, given that it does not address the deep-seated, (sometimes) value-laden and relational aspects of conflict. In other words, the conflict resolution perspective concerns itself more with conflict than with the underlying structures and patterns within which such conflict is embedded.

Furthermore, this perspective relies heavily on the assumption of human rationality. However, human behaviour during conflict situations or peace processes is not necessarily guided by rationality. Conflict resolution theorists also view conflict as "a short-term phenomenon that can be resolved permanently through intervention processes" (Botes, 2003: i. d.). As Botes (2003: i. d.) notes, "underlying the conflict resolution perspective is an assumption that every conflict has a finite life and a clear end and can, therefore, be solved or declared intractable." However, as Väyrynen (1991: 23) argues, "any argument that a conflict has been solved for good, that history has ended, is based on an ahistorical illusion." According to Rupesinghe (1995: 75-76), "the idea that conflicts can be resolved once and for all has been superseded by [a contending view that] not only recognises the dialectical nature of conflict but also argues for the transformation of conflict while taking pertinent cognisance of personal, relational, structural and cultural factors in conflict". Rupesinghe (1995) further contends that conflicts are dynamic processes, and as such, efforts at addressing them must be dynamic and sustainable. These realisations constitute a fundamental missing link in the conflict resolution fabric. Given the drawbacks of 'resolution', Rupesinghe's (1995: 65-92) study argues for and highlights a conceptual shift in the discourse on conflict attenuation – a shift from 'resolution' to 'transformation'. Therefore, the shortcomings of the conflict resolution approach underpinned the emergence (in the 1990s) of conflict transformation – "a relatively new invention within the broader field of peace and conflict studies" (Botes, 2003: i. d.). Conflict transformation is viewed as "a process that will make up for the inadequacies of mere resolution" (Mitchell, 2002: 1).

According to Lederach (1995b: 17), the concept of *conflict transformation* "emerged in the search for an adequate language to explain the peacemaking venture." Conflict transformation theorists contend that intervention in contemporary conflict situations "require[s] more than the reframing of positions and the identification of win-win outcomes" (Miall, 2005: 4), which is the hallmark of conflict resolution. Additionally, it is important for intervenors to seek constructive change rather than simply satisfy the demands of warring parties, as there are causalities that are more fundamental to and involved in conflicts than at the level of disputes (Auvinen and Kivimaki, 1996: 3). Conflict transformation thus transcends the boundaries of conflict resolution. *Conflict transformation* is "a process of engaging with and transforming the relationships, interests, discourses, and if necessary, the very constitution of society that supports the continuation of violent conflict" (Miall, 2005: 4). This perspective seeks to address the underlying structures, agencies and practices within the socio-political system that precipitate conflict.

As Spencer and Spencer (1995: 162) note, conflict transformation "can be thought of as a redefinition of the dispute situation by the actors themselves, one that may lead to opening a space for cooperation and peace." The process of redefining the conflict situation extends beyond the issues in conflict and seeks to transform the relationship between the parties. Hence, the conflict transformation perspective focuses on the "very structure of parties and relationships [which] may be embedded in a pattern of conflictual relationships that extend beyond the particular site of conflict" (Miall, 2005: 4). In this context, conflict transformation is "the process by which people change situations, relationships or structures so that they become less violent, less conflictual and less unjust" (International Alert, 1998: 28). It encapsulates attempts that "seek to change the conditions that give rise to the underlying root causes of the conflict" (Diamond, 1994: 3). The rationale for changing such conditions is to forestall the emergence or resurgence of conflict (International Alert, 1998: 28) while promoting "nation building, national reconciliation and healing, change agentry, and social transformation" (Botes, 2003: i. d.).

4.3 Principles and objectives of conflict transformation theory

Conflict transformation – popularised by conflict research scholar John Paul Lederach – is both a descriptive and prescriptive theoretical framework. Lederach and Maiese (2003) posit that transformation as a theory *describes* conflict dynamics and *prescribes* the overall purpose of peacebuilding. Its descriptive element is seen in its recognition of the dialectical nature of conflict and its underlying philosophy that conflict is not necessarily a bad phenomenon.[67] At the prescriptive level, the theory emphasizes the need to change the

[67] The descriptive facet of the conflict transformation perspective draws from Galtung's (1996) analysis of the dialectics of conflict. He notes that conflicts "undergo a variety of transformational processes" ranging from "articulation or disarticulation, conscientisation or de-conscientisation, complexification or simplification, [to] polarisation or depolarisation, and escalation or de-escalation" (Galtung, 1996: 90).

perceptions of parties about not just the issue in dispute but the environment in which they interact.

While conflict management and conflict resolution have short-term and limited foci, the focus of conflict transformation is long-term and broader. For instance, conflict management and conflict resolution seek to contain and mitigate conflict or solve immediate problems, whereas conflict transformation strives to shift the attitudes of parties, and transform structures and relationships for durable peace and harmonious coexistence. In other words,

> conflict transformation offers more than the mere elimination or control of conflict (as is promised by the resolution or management of conflict). It points to the inherent dialectical process, the ability to transform the dynamic of the conflict and the relationship between the parties—indeed to transform the very creators of the conflict (Botes, 2003: i. d.).

In the words of Wallensteen (1991: 130), "[a] successful case of conflict transformation is one where the parties, the issues and expectations are changed so that there is no longer a fear of war arising from the relationship." Importantly, conflict transformation goes deep to promote a healthy view of "the other". (This point ties in with Mamdani's (2001) analysis of genocide in Rwanda: reducing "the other" to a bestial level or (in Rwanda's case) "a cockroach", which is to strip "the other" of their human qualities and hence to eliminate normal inhibitions about wanton slaughter of other humans.[68]) Fundamentally, conflict transformation seeks to transform the structural conditions that trigger conflicts or bring about their recurrence. Ultimately, conflict transformation strives to create "new social relations, institutions, and visions" (Väyrynen, 1999: 151). It is about structural and systemic change that is accompanied by the modification of the attitudes of actors and their relationships.

---

[68] I am grateful to my co-supervisor, Dr Alison Jones, for drawing my attention to this valuable point.

In view of its manifold constitutive elements, conflict transformation addresses conflict in a way that other paradigms do not. Although scholars place relative emphases on the descriptive and prescriptive dimensions of the concept, Mitchell (2002: 9-10) identifies the common values that are integral to effective conflict transformation processes:

(i) "Multi-level participation, involving elements from all social levels of all the involved parties, from top decision makers through middle-range opinion leaders to grass roots constituents, including those who would normally be excluded from the process and whose interests would not be represented in 'normal' negotiations".

(ii) "Efforts to empower the 'underdogs' in the struggle so that solutions and changes can be sought between parties that are more equal than they would otherwise be".

(iii) "Efforts to ensure that those directly involved in the conflict can control the transformation processes to their own satisfaction and thus make sure that any outcomes have the approval and support of those affected".

(iv) "A focus not merely on immediate issues but also on long standing traumas and hurts, and on any deep-rooted sense of past injustices".

(v) "Brokerage by appropriate intermediaries who understand the culture and social structures in which the adversaries are embedded".

(vi) "Co-creation of a new understanding of the conflict, how it arose and what needs to be changed, in order both to resolve it and to ensure that other or similar disputes do not arise in future".

(vii) “An ability to create and put in place procedures that will maintain and continue the changes found necessary to resolve the current conflict and prevent others arising in future, or – when they arise – taking on a protracted and destructive form”.

(viii) “The mutual, inter-active education of adversaries about the nature of the socio-political and economic systems from which the conflict arose and of the dynamics of that conflict; and their training in skills that will enable them to deal with that conflict and others that may arise in future”.

Mitchell’s list highlights conflict transformation’s sensitivity to issues, patterns of relationships and structures (beyond warring parties) that may constitute remote and proximate conflict triggers. These important factors set conflict transformation apart from other perspectives. Table 4.1 below summarises the discussion in this section thus far by juxtaposing the concepts of management, resolution and transformation:

Table 4.1: Conflict Management, Resolution and Transformation: A Brief Comparison of Frameworks

	Conflict Management	Conflict Resolution	Conflict Transformation
Framework	Realism	Idealism	Radicalism
Understanding of conflict	Power politics; inherent in humans	Unsatisfied human needs	Structural inequalities
Actor and structure	Emphasis on actor from an objective perspective	Emphasis on actor from an inter-subjective perspective	Emphasis on structure from a holistic perspective
Change	Static	Linear	Dialectical
Process and strategy	Competitive	Problem-solving	Empowering
(Un)ending conflict	Unending conflict; balance of power; stability	Ending conflict; satisfying human needs	Open-ended; institutional/systemic change
The key question	How do we contain something inevitable?	How do we end something not desired?	How do we end something destructive and build something desired?
The focus	It is phenomenon-centred	It is content-centred	It is relationship-centred
The purpose	To mitigate, contain, or reduce volatility/crisis	To achieve an agreement and solution to the present problem creating the crisis	To promote constructive change processes, inclusive of – but not limited to – immediate solutions
The development process	It is built around the issue of volatility and its reduction	It is embedded and built around the immediacy of the relationship where the present problems appear	It is concerned with responding to symptoms and engaging the systems within which relationships are embedded
Time frame	The horizon is spasmodic and short-term	The horizon is short-term	The horizon is mid- to long-range
View of conflict	It is inevitable and unresolvable	It envisions the need to de-escalate conflict processes	It envisions conflict as a dynamic of ebb (conflict de-escalation to pursue constructive change) and flow (conflict escalation to pursue constructive change)
Lacunae	Lacks theoretical understanding of intra-state conflict, institutions, peacebuilding, culture	Lacks theoretical understanding of power asymmetry, institutions, peacebuilding, culture	Lacks theoretical understanding of actor, intentionality, strategic interaction

Sources: Adapted from Lederach and Maiese (2003: i. d.); Aggestam (1999: 24).

As Table 4.1 shows, conflict transformation differs from both conflict management and conflict resolution in fundamental respects. A cardinal element of conflict transformation, which differentiates it from the other frameworks, is that it takes a holistic view of conflict and seeks to transform not only the parties' perceptions but also the environment within which conflict occurs. Lederach and Maiese (2003: i. d.) identify four central modes that conflict transformation targets with an eye on building sustainable peace: personal/actor transformation, relational transformation, structural transformation, and cultural transformation. Miall (2005: 10) modifies Lederach and Maiese's typology and adds context and issue transformations to the list.

Each mode highlights the goal of conflict transformation. At the *personal* level, conflict transformation seeks to "[m]inimise the destructive effects of conflict and maximise the potential for personal growth at physical, emotional and spiritual levels" (Lederach and Maiese, 2003: i. d.). *Relational* transformation deals with the minimisation of poorly functioning communication and the maximisation of understanding. The *structural* mode underscores the understanding of and dealing with the root causes of violent conflict. It emphasizes the promotion of non-violent mechanisms and the minimisation of violence. It advocates the fostering of structures geared towards meeting basic human needs as well as the maximisation of public participation in processes aimed at building peace. The *cultural* dimension addresses the cultural patterns that contribute to violent expressions of conflict. It also underscores the mobilisation of cultural resources for handling conflict constructively (Lederach and Maiese, 2003: i. d.). The elements and goals of these modes show that the conflict transformation approach targets the essentials in the social mosaic in the attempt to build sustainable peace. The foci of these modes are summarised in Table 4.2 below:

Table 4.2: Conflict Transformation Modes

Mode	Focus
Context transformation	change in local, national, regional and international environment
Structure transformation	- change from asymmetric to symmetric relations - change in power structures - changes of markets of violence
Actor transformation	- changes of leadership - changes of goals - intra-party change - changes in party's constituencies - changing actors
Issue transformation	- transcendence of contested issues - constructive compromise - changing issues - de-linking or re-linking issues
Personal/elite transformation	- changes of perspective - changes of heart - changes of will - gestures of conciliation

Source: Miall (2005).

An examination of the literature on conflict transformation shows that the perspective advocates a commitment to long-term, structural and relational transformation. In the absence or aftermath of a war, the transformational processes translate to peacebuilding. Therefore, conflict transformation is often linked or equated with peacebuilding (Whetho, 2006: 70). Analysts and practitioners (in the field of peace and conflict studies) sometimes use the terms interchangeably. This derives from the realisation that conflict transformation and peacebuilding share certain elements or goals. These include:

- Identifying and dealing with fear, grief, and bitterness on the part of parties and rebuilding trust.
- Reconciliation.
- Developing a new perception of "the other".
- Demobilisation and demilitarisation.

- Increasing justice and equality.
- Equitable resource sharing.
- Reintegration of displaced populations.
- Jump starting the economy.
- Reconstruction or infrastructure rehabilitation.

From a conflict transformation perspective, these elements are integral to altering a conflict situation and building peace. Moreover, three steps are outlined towards building peace: (i) analysing the present situation; (ii) mapping the horizon of preferred future; and (iii) developing change processes linking the first two steps. Certain practical variables are also fundamental to building peace, especially in the post-conflict epoch. The factors that contribute to the success of the peacebuilding process include, *inter alia*, forgiveness, reconciliation, (re-)establishment of functional relationships and institutional capabilities as well as reconstruction (Rasmussen, 1997: 40). Lederach and Maiese (2003: i. d.) posit that ultimately, conflict transformation is all about *ending* something not desired (pain and suffering) and *building* something that is desired, such as sustainable peace.

A penetrating analysis of several narratives shows that the theory of "conflict transformation reflects a better understanding of the nature of conflict itself" (Bastidas and Gonzalez, 2008: 2). As noted earlier, conflict transformation goes further and deeper than conflict management and conflict resolution thereby addressing the shortcomings of the other approaches. To an extent, then, conflict transformation theory fits Kuhn's explication of "a change in visual gestalt", which signifies a paradigm shift (in Jones, 2010: 45). However, as is the case with any social construct, conflict transformation has a number of limitations.

Limitations of conflict transformation theory are as follows: although its emphasis on structures helps in the understanding of indirect violence, it minimises (the roles of) human personality and strategic interaction in conflict dynamics. As Aggestam (1999: 23) argues:

> One weakness of conflict transformation is the inclination to overemphasise structures. Structures are considered to determine human behaviour. Thus, the consciousness and reasoning of individuals and the strategic interaction receive less attention in some of these analyses. For instance, structural violence is a much appreciated concept for understanding indirect violence but it is an abstract notion. It tends to reduce individuals to the role of victims without revealing or attempting to analyse the more complex and contradictory understanding of the interplay between individuals and structures.

Furthermore, conflict transformation is regarded as idealistic and value-laden (Lederach and Maiese, 2003: i. d.). This view is predicated on the primacy of prescriptive notions such as justice, mercy, compassion, empathy, forgiveness and reconciliation. In practice, some or all of these notions do not necessarily exert (decisive) influence on warring parties and profiteering networks in conflict situations and during peace processes. The question is, to what extent do these moral codes influence parties driven by *realpolitik* or economic agendas within a conflict environment? Proponents of conflict transformation continue to grapple with this question.

In relation to the three main schools of thought on conflict, Nicholson (1992: 22) contends that they are somewhat illusory and pretentious, focusing more on social engineering than on social science. Nonetheless, despite Nicholson's contention, as well as other documented weaknesses of transformation theory, this chapter argues in favour of conflict transformation theory. The argument can be summarised as follows: firstly, "the goal of transformation is unique in that it involves a supreme value that the other concepts do not encompass" (Bush and Folger, 1994: 81). Secondly, with reference to the supreme value of conflict transformation, Bastidas and Gonzalez (2008: 3) note: "[c]onflict transformation in current peacebuilding practice seeks long-term peacebuilding efforts oriented to outcomes, processes, and structural changes. Its goal is to overcome conflict, transform unjust social relationships, and promote conditions that can help to create cooperative relationships." Similarly, Miall's (2005: 17) position on the utility of conflict transformation highlights the supreme value of the perspective, which the author describes as follows:

> Conflict transformation is a comprehensive approach, addressing a range of dimensions (micro- to macro- issues, local to global levels, grassroots to elite actors, short-term to long-term timescales). It aims to develop capacity and to support structural change, rather than to facilitate outcomes or deliver settlements. It seeks to engage with conflict at the pre-violence and post-violence phases, and with the causes and consequences of violent conflict, which usually extend beyond the site of fighting.

The strength of conflict transformation theory lies in its comprehensiveness, its emphasis on tackling the root causes of conflict, and its recognition of the need to change not only situations but also people, relationships, structures and agencies that engender conflict. Therefore, the approach holds greater promise for altering a conflict situation and for building peace. This awareness of the potential of conflict transformation underscores the growing scholarly interest in applying the framework. While conflict transformation theory does not quite fit the contours outlined by Kuhn (1970: 204) – "neural reprogramming"– as prerequisites of a paradigm revolution, it nonetheless qualifies as a significant paradigm shift.

Finally, and most importantly in the specific context of the thesis, its author emphasises the relevance of applying conflict transformation theory to the DRC. As noted above, conflict transformation takes cognisance of the dialectics of conflict, that is, the ebbs and flows that characterise conflict situations. Over the years, the DRC has witnessed transformational processes ranging from simplification to complexification, polarisation to de-polarisation, and escalation to de-escalation of conflicts. In addition, a conflict transformation approach to studying the DRC conflict explicates the varied impacts that factors such as historical legacies, agencies, structures, and relationships between national and international actors have on the conflict. It furnishes insights into the roles of MNCs and the impacts of their activities on the DRC's conflicts and peace process. Most significantly, conflict transformation theory offers useful ideas for building peace in societies plagued by conflict, such as the DRC. It recommends a range of activities that should be undertaken to create conditions for peace. These prescriptions are of relevance in the DRC context. Therefore, this study adopts key elements of conflict transformation in its explication and analysis of the DRC conflict and the country's peace process.

For the purpose of a holistic explanatory and analytical framework, which incorporates the study's perception of the interactive relationship or interface between conflicts and MNCs, the following section therefore addresses two main corporate governance regimes that shape MNCs' relationship with their host environments. These two regimes determine the societal roles of MNCs and the extent to which other actors influence corporate behaviour in the public sphere.

4.4 Theoretical perspectives on corporate governance

As noted above, scholars have propounded several theories on MNCs. These theories straddle the fields of economics, marketing, management, law, and international relations. The majority of these theories, expounded and popularised by economists, address the (rationale for the) expansion of capital and FDIs by MNCs. Other theories in the fields of management and law explain the ownership and control of MNCs. It is instructive to note, however, that these theories largely ignore the social environment of MNCs.[69] In effect, these theories overlook the impacts of corporate behaviour on society. Most economic theories of MNCs view and treat corporations essentially as private actors whose primary obligations pertain to satisfying the interests of shareholders. These theories are underpinned by the understanding that MNCs tend to maximise the interests of their shareholders "without necessarily accepting responsibility for the consequences of [their actions] in national jurisdiction[s]" (Vernon, 1998: 28). In reality however, there is a growing realisation of the interlacing of the destinies of businesses and states. MNCs are part of society: hence, the larger social and political contexts in which they are situated shape their operations and affect their fortunes, including their overarching profit maximisation agenda.

Although economic theories of MNCs do not focus on the social aspects of corporate actions, they are useful for understanding certain economic fundaments such as the logic of capital expansion, investment decisions, and the implications of market structures/conditions for profit. However, from an international political economy perspective, the social and political environments in which MNCs operate are central to understanding corporate behaviour. Beyond the logic of profit maximisation, company behaviour is shaped by factors that are external to the company. Societal pressures leading to the implementation of CSR activities by MNCs lend credence to this view. While there is a "business case" for CSR, the involvement of corporate actors in the public sphere is in recognition of the fact that

[69] To illustrate this point, Hennart's (2009: 125-145) critical survey focuses only on theories that explain why MNCs exist. Hennart identifies three broad explanatory frameworks: trade theories, industrial organisation theories, and transaction cost/internalisation theories. An earlier study by Kuşluvan (1998: 163-180) examines the theories that explain international operations of MNCs. These theories, which overlap with Hennart's typology, include the location theory of international investment (MNCs are attracted by favourable demand and supply factors abroad), the Aliber theory (financial market relations and currency regimes that favour MNCs), Hymer-Kindleberger theory (market structures that give MNCs incentives to go abroad), and product cycle theory (technological innovations and new products enable firms to undertake international investment).

companies are part of society. Therefore, the corporation cannot and should not be treated in isolation from society.

In reality, there are linkages between business and society. Business interfaces with society at different levels or stages of operation, for example product design, marketing/sales, and social responsibility projects. The linkages at these levels determine the strategic behaviour of MNCs in host environments. Given the subject matter of this research, which investigates a socio-political phenomenon (namely conflict), the interface between corporations and other actors becomes salient. For any theoretical construct to be relevant to this study, it should necessarily go beyond the emphasis on capital or investment to encapsulate other actors whose actions or inactions (potentially) affect the corporation and vice versa. Theories of the corporation that explore the linkage between business and society (that is, other stakeholders besides shareholders) are of scholarly utility.[70] The relevance of such theories to this research is because MNCs' actions unleash impacts – positive and/or negative – on host communities just as the activities of stakeholders shape the behaviour of MNCs. In addition, these theories offer explanations regarding the conception of MNCs either as (strictly) private actors or as entities that are accountable to other stakeholders. It is through these lenses – the conceptions of MNCs – that one can begin to analyse their social responsibility roles in their areas of operations as well as their potentially ambivalent roles in conflict situations.

Two dominant paradigms explain the interface between the corporation and the society (or the lack of it): the *contractarian* and the *communitarian/social institution* schools. The

[70] I am grateful to Olufemi Amao of the University College Cork – National University of Ireland, Cork, Ireland for his comments and suggestions on this point, for sharing with me some of his research findings on MNCs, and for providing me with one of his scholarly works on MNCs. This section draws partly from his work, "Reconstructing the role of the Corporation: Multinational Corporations as Public Actors in Nigeria", *Dublin University Law Journal*, Vol. 29, 2007, pp. 312-340.

sections that follow discuss these scholarly approaches to the conceptualisation of MNCs as well as their relevance to this study. First, the study discusses *contractarianism*.

4.4.1 A private actor: a contractarian view of the multinational corporation

Contractarianism has a long tradition. The intellectual foundations of the contractarian school can be located in "the liberal-utilitarian model of Hobbes, Locke, Smith, Bentham and Mill", which "emphasizes the primacy of the law and protecting rights and enforcing contracts" (Amao, 2007: 313). In order to protect rights, each constituency within and outside the corporation is bound by precepts enshrined in binding contracts. The contractarian theory argues that the role of the state, as far as corporate governance is concerned, is to provide an enabling environment that protects the rights of shareholders. Laws made by the state should not excessively restrain corporate behaviour. These assumptions account for contractarianism's neo-liberal orientation.

Contractarian theory states that "the sole purpose of the corporation is to maximise shareholder's profit" (Amao, 2007: 313).[71] According to contractarians, the corporation exists at the behest of its shareholders. Therefore, shareholders are the corporation's residual claimants and as such, managers owe fiduciary duties exclusively to shareholders (Macey and Miller, 1993: 423). Given the definitive priority accorded to shareholders, the paradigm is also known as the "shareholder primacy model". This paradigm, which is preeminent in corporate law, rejects contending views that ostensibly undermine the primacy of shareholders. From a contractarian perspective, actors and factors external to the corporation, including social pressures, should not be allowed to weaken shareholders' ultimate control over the corporation. The maximisation of shareholder value takes precedence over all other

[71] This view is in line with Friedman's (1970: i. d.) assertion that the "social responsibility of business is to increase its profits." The "Friedmanesque" idea, referred to earlier (*supra*, page 93), evidently provided the intellectual linchpin for the contractarian perspective.

considerations. Managers are thus obliged to ensure that corporate actions serve the best interests of shareholders at all times. Although the corporation may be concerned about the welfare of other constituencies at times, contractual or regulatory processes should be emplaced to ensure that the interests of shareholders are not jeopardised by concern for external constituencies. Although the corporation may provide social welfare, managers should always remain "strongly accountable to shareholder interests and, at least in direct terms, only to those interests" (Hansmann and Kraakman, 2001: 439). The protection of the interests of non-shareholder constituencies is not the responsibility of the corporation.

According to Amao (2007: 313), this shareholder-oriented model, which enjoys currency in the United States, "has been the bulwark for decades against realisation of other stakeholder protection within the corporate governance structure by discouraging the inclusion of other stakeholders' issues in its scope." In other words, shareholder primacy has ensured the exclusion of the interests and concerns of non-shareholders from the corporate agenda. At worst, such concerns and interests have been ignored; at best, they have been given marginal consideration in terms of their utility to maximising shareholder value. As a result, little or no attention has been paid to the social, economic, political and environmental impacts of corporate behaviour.

The intellectual roots of contractarianism continue to shape the character and behaviour of modern corporations. As Mitchell (2001: 28) notes, "this conception of the corporation is a perversion of the enlightenment concept of autonomy, which emphasizes individualism and denies caring and community, and suggests that the pressure to maximize stockholder's value often makes good corporations bad." The contractarian theory "emphasizes the private function of the corporation while downplaying its social roles" (Amao, 2007: 315). The reality, however, is that MNCs' activities in host communities are not always entirely "private" or shareholder-driven. For example, pressure from local communities, NGOs and governments often compel MNCs to undertake social responsibility projects. In conflict zones, corporate actions are usually subject to public scrutiny. Observers, and more importantly, civil society actors, are constantly seeking to assess the impacts of MNCs' activities in conflict areas. In the public domain and in a conflict situation, a corporation's actions are viewed, not as those of a private actor, but as those of a stakeholder in society.

Although the contractarian model finds relevance where MNCs' operations in a zone of conflict seek to maximise shareholders' interest vis-à-vis profit maximisation, it does not lend itself readily to the analysis of corporate peacebuilding which seeks to benefit, not just shareholders, but other stakeholders and the society at large.[72] In reality, non-shareholder constituencies often make claims on the corporations. In some cases, these claims undermine shareholder value rather than maximise it. Powerful non-shareholder constituencies may modify corporate behaviour in ways that shareholders did not envisage, or in ways that they disagree with, or in ways that produce outcomes that do not make "business sense" from shareholders' standpoint. In order to understand corporate behaviour, other actors in society really matter. This is because "non-shareholder constituencies plainly have a significant interest in a wide range of decisions that a firm may be called upon to make" (Macey and Miller, 1993: 423). The contractarian theory downplays important intervening variables such as the influences of several non-shareholder constituencies. Moreover, as highlighted below, there is another significant drawback in contractarianism.

[72] A counterargument is that the quest to maximize profit could still entail or require that the MNC should implement social improvement projects or facilitate peacebuilding if not doing so assures failure to maintain the capacity to continue operating in a particular place. In such a case, a social activity or corporate peacebuilding makes good business sense and, as such, could be deemed part and parcel of the quest to maximise profits.

Amao (2007: 319) contends that the contractarian theory "ignores the local context in which MNCs operate and distances the corporation from society". To ignore the operational context of MNCs is to assume that MNCs function in a vacuum or that they exist in isolation from society. In reality, however, MNCs operate in a social context, which consists of several actors and interests. Therefore, the "local context" (the social and political environment) in which MNCs operate, is germane to this research in that it aids the understanding of the intricate social realities associated with MNCs' behaviour in zones of conflict. A conflict situation typifies the local context in which MNCs operate. In a conflict situation, corporate actions are determined, not only by (the interests of) constituencies within corporations, but also by (the activities of) other actors as this study illustrates. The contractarian theory is of limited utility to this study because it ignores the local context of MNCs. The next section discusses the communitarian paradigm.

4.4.2 The communitarian paradigm: the multinational corporation as a complex social institution

For the reasons outlined above, this study adopts the communitarian model (also known as the social institution model) as its broad theoretical framework. Communitarianism stands in stark contrast to the contractarian theory. Communitarians view the corporation as an entity whose purpose serves a broader function. This conception of the corporation argues that managers need to take cognisance of the welfare of all the constituencies with which the corporation interacts. Although managers do not owe fiduciary duties to non-shareholder constituencies, they ought to consider the welfare of these constituencies (Greenfield, 2006: 148). Communitarians believe that fixation with profit maximisation on the part of corporations is detrimental to the interests of non-shareholder constituencies. Such fixation renders non-shareholder constituencies vulnerable to harmful corporate decisions and actions.

The communitarian model "introduces a new conception of the corporation through recognition of the claims of other stakeholders" (Amao, 2007: 315). Communitarians see the corporation as "a community of interdependence, mutual trust and reciprocal benefit" (Millon, 1995: 10). From this perspective, constituencies within the corporation have a responsibility to ensure – as the idea of interdependence presupposes – that their actions promote the overall welfare of society. Corporate actions should therefore take cognisance of this responsibility. Some communitarians stretch this view even further: they argue that the incorporation of this responsibility into the corporate agenda should not be voluntary (that is left to the discretion of corporations) but should be mandatory and enshrined in statutory/regulatory instruments (Millon, 1995: 12). The idea here is that doing so will serve to protect non-shareholder constituencies from harmful corporate behaviour. It will also enable these constituencies to seek redress where corporate actions produce deleterious impacts.

The communitarian model conceives the corporation as "a complex social institution, which cannot be adequately conceptualized through the contractarian view or the concept of ownership" (Amao, 2007: 315). This view of the corporation is instructive given that modern corporations seek legitimacy from both insiders and the wider society, thus introducing a public interest dimension into the operations of MNCs (Amao, 2007: 316).[73] Reference to the wider society implies that there are non-shareholder constituencies or other stakeholders

[73] A caveat is necessary here: much in the same way a contractarian might conceive that the best way to maximize profits is to be on the good side of the host community, it is plausible to argue that the communitarian is fundamentally no different since he (she) did not go into business *per se* to develop the community but rather to make a good living by extracting as much profits as possible but resolving to do so by taking the position that the host community should be enabled to accept that it (MNC) really does have its best interests at heart. Unless such a company is organized in the form of a cooperative in which there is broad-based community ownership, the involvement of non-shareholder constituencies may be just another ploy to further shareholder interest as contractarians argue.

(external to the corporation) whose interests, aspirations and actions impinge on MNCs' activities just as MNCs' operations affect these stakeholders.[74] The realisation that MNCs interface with other stakeholders in their areas of operations for the actualisation of mutual or sometimes incongruent interests forms the bedrock of the stakeholder theory, which is a key ingredient of the communitarian paradigm given that it espouses the main assumptions of the paradigm.

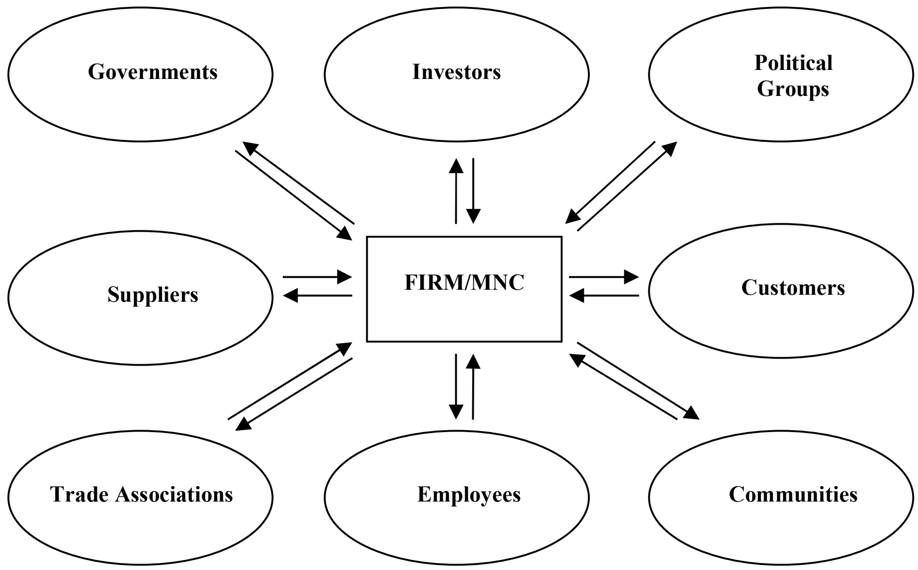
4.4.3 Stakeholder theory: a seminal element of communitarianism

In regard to MNCs, this study derives its analytical momentum from stakeholder theory which explains not only the structure of the corporation but also its operation. The theory conceives the corporation as "an organizational entity through which numerous and diverse participants accomplish multiple and not always congruent purposes" (Donaldson and Preston, 1995: 65). The stakeholder theory, which enjoys currency in many European Union (EU) member states[75], draws from the fact that the activities of MNCs affect others in society (and vice versa). All those affected make up the corporation's stakeholder base, which encapsulates shareholders, employees, customers, managers, suppliers, local communities, political groups and the government. Advocates of the stakeholder paradigm contend that the corporation is accountable and responsible – albeit in varying degrees – to groups in society (Matten and Crane, 2005: 166). The argument that corporations are accountable and responsible towards other groups in society is premised on the fact that the activities of corporations affect such groups. The number of those affected by a corporation's operations determines its stakeholder base. The larger the number of those affected, the bigger the stakeholder base and vice versa.

[74] A stakeholder is defined as "any group or individual who can affect or is affected by the achievement of the firm's objectives" (Freeman, 1984: 46).
[75] It has to be stated though that nearly all EU MNCs are not really very different in their operational behaviour outside of the EU because the corporate governance paradigm in these other societies (which conceives the corporation as essentially private institution) is fundamentally contractarian.

Stakeholders fall into two categories: primary and secondary stakeholders. Primary stakeholders refer to "those whose participation directly ensures the continuity of the corporation as a going concern" (Amao, 2007: 320). Shareholders, employees, and customers constitute the primary stakeholder group. Also included in this category is a very important cluster, the "public stakeholder group", which is made up of "governments and communities that provides [sic] necessary infrastructure, market and the enabling legal framework" for corporations to function (Amao, 2007: 320). The secondary stakeholder group consists of "those who influence or affect or are influenced or affected by the corporation but are not in transactions with the company or necessary for its survival" (Amao, 2007: 320). In other words, secondary stakeholders do not have direct transactional relationship or business interactions with corporations, although they affect, or are affected by, the actions of corporations. Depending on the stakeholder base of a corporation, the secondary stakeholder category comprises business support groups, NGOs/advocacy groups, the academic community and the media. These constituencies shape corporate behaviour as much as their activities are also influenced by the operations of corporations. Figure 4.1, a diagrammatic representation the stakeholder paradigm, depicts the interface between MNCs and the larger society:

Figure 4.1: The Stakeholder Model of the Corporation



Source: Adapted from Donaldson and Preston (1995: 69).

Figure 4.1 above portrays *some* of the stakeholders who affect, or are affected by, the corporation's activities. The arrows show the relational flows, and consequently, the direction of influence in the interactions between the corporation and its stakeholders. Essentially, the figure illustrates the idea that corporate actions influence and affect stakeholders while the latter's activities shape corporate behaviour.

Against this backdrop, proponents of the stakeholder theory argue that the corporation "has a responsibility to society, and constituents of society, just as much as it has responsibility to its shareholders" (Wan-Jan, 2006: 181). That said, stakeholder theory does not dismiss shareholders as irrelevant or unimportant. Rather, the theory – although it rejects the idea that shareholders' interests must *always* prevail – acknowledges the pivotal position of shareholders in the existence and operations of the corporation. As Wan-Jan (2006: 181) notes, "it is also important to point out that stakeholder theory does not advocate abandoning shareholders. Instead, shareholders are one important stakeholder group that companies must serve." What the stakeholder theory does is to accord non-shareholder constituencies the requisite recognition as important actors whose activities influence corporate behaviour and ultimately facilitate or hamper the attainment of corporate objectives. Given the existence of other stakeholders who affect, and are affected by, the corporation, theoretical explications of corporate behaviour, especially in the public sphere or in social contexts, must take cognisance of these stakeholders. In defining the broad contours of the interactions between the corporation and stakeholders, the theory offers insights into how corporations behave and, therefore, is a useful tool for predicting corporate behaviour.

4.4.4 Towards a synthesis: the multinational corporation and the private-public interface

A review of the contractarian and communitarian arguments highlights a bifurcation in terms of each paradigm's conception of the corporation. The contractarian paradigm construes corporations as private actors; the communitarian school views them as public institutions. Amao refers to this binary as the public-private institution distinction. The conception of the corporation has important ramifications in practice. To be clear, the paradigms assume the status of *corporate governance regimes* in practice, not just analytical constructs. In this way, the corporate governance regime that the government of a country adopts determines "the amenability of corporations to regulation and their responsiveness to other stakeholder issues" (Amao, 2007: 320). The adoption of the contractarian governance regime by a government significantly limits the role of the corporation in society and the extent to which other stakeholders can influence the corporation. In addition, the corporation may not readily acknowledge or accept responsibility for the societal impacts of its activities. On the other hand, the communitarian conception is anchored on the premise that the corporation is "a source of public power which receives its licence to operate from society, and therefore should be channelled to serve public interest" (Amao, 2007: 322). Proponents of this conception argue that "since society allows corporations to exist through its legal system it is incumbent on corporations to be of benefit to society" (Amao, 2007: 322). Amao, for instance, does not suggest that "the private structure of the corporation should be abandoned but that the private structure should be used to benefit public interest" (Amao, 2007: 322). The fundamental premises of communitarianism have important repercussions. The adoption of the communitarian governance regime can encroach on the rights of the corporation (a legal entity that is usually accorded statutory protection) and can curtail the legitimate influence that investors and shareholders ought to exercise.

It is clear from the foregoing that paradigms of the corporation have implications in practice. Wolfe (1993: 1675) sums up the implications and concludes thereof:

> If we believe that corporations are private agents, they are free to mind their own business outside the purview of the rest of society …. If, on the other hand, corporations are understood as public actors, all these conclusions are reversed. *Corporations have obligations not only to their shareholders, but also to others in the society as well; they have public duties*…. [Emphasis added].

Wolfe's conclusion coheres with the European Union's position that corporations operate in the public sphere and as such play public roles (Amao, 2007: 321). Thus, in the European context, other stakeholders feature prominently in holding corporations to account for their activities.

The conception of the corporation influences the way(s) that companies behave, their relationship with stakeholders, and corporate governance regimes in host environments. Although this study utilises the stakeholder approach in its capacity as an important feature of the communitarian paradigm, it nonetheless acknowledges that corporations, at times, execute transactions that are strictly private and primarily shareholder-driven. For instance, corporations conduct a number of intra-firm and inter-firm operations on a daily basis. At other times, an action that the corporation considers private, in fact, affects other stakeholders in society. Still, some corporate actions are explicitly public-oriented, such as CSR activities. At any given time and with respect to a given issue, a corporation (and its activities) may straddle the private-public domains, blurring the distinction between both in the process. Therefore, it is possible to conceive of the corporation as any of, or a combination of the following: a private agent, a public actor, a private agent with public roles, and a public actor with private roles. A nuanced conception of the character and roles of the corporation allows for an understanding of the activities of MNCs in the social context, such as in a conflict situation, which enlarges corporations' stakeholder base. Here lies the utility of the stakeholder approach to this study. In a conflict situation, MNCs' stakeholders include the groups identified above, as well as national armies, armed groups/rebels/militias, and intervenors. These stakeholders shape corporate behaviour in conflict zones, just as the corporate actions affect these stakeholders, including their ability to attain political objectives in respect of the conflict situation. Therefore, this study utilises the approach while simultaneously acknowledging the private-public interface of MNCs' operations.

An analysis of stakeholder relationships furnishes an understanding of corporate behaviour in the public domain. Moreover, an analysis which emphasizes the public roles of the corporation and corporate accountability to the society is germane to understanding the potentially ambivalent roles of MNCs in zones of conflict. In other words, the stakeholder approach lends itself easily to explicating corporate actors' complicity in conflict on one hand and corporate peacebuilding on the other. More importantly, *the stakeholder theory's emphasis on the local context in which corporations operate is of considerable utility in* *unpacking the strategic behaviours of MNCs in conflict zones*. Therefore, this research extrapolates and applies the assumptions of the stakeholder approach in the analysis of corporate behaviour in the DRC's conflicts.

4.5 Conclusion

This chapter has examined conflict transformation theory and the stakeholder theory of MNCs. Specifically, the chapter unpacked the idea of conflict intervention using three analytical frames: conflict management, conflict resolution and conflict transformation. It made a case for conflict transformation in view of its strengths. It was noted that conflict transformation differs in certain fundamental ways from the cognate concepts of conflict management and conflict resolution. A distinguishing element of the conflict transformation perspective is the idea that conflicts undergo several processes or ebbs and flows depending on the interests and actions of belligerents and intervenors. In addition, conflict transformation places emphasis on post-conflict processes that seek to forestall a return to *status quo ante bellum*. Most importantly, it advocates the emplacement of structures and conditions that are necessary for post-conflict peacebuilding. Conflict transformation is of utility to this study in the context of the ebbs and flows that have characterised conflicts in the DRC. In addition, the concept is an important analytical tool for charting a post-conflict path for the DRC.

For the purpose of providing a holistic framework for understanding corporate behaviour in the public sphere in general and in conflict environments in particular, the chapter also examined two dominant paradigms: contractarianism and communitarianism. It was noted that the contractarian approach views the corporation as a private actor whose actions are driven always by the idea of shareholder primacy. As shown above, contractarianism as a corporate governance paradigm gives little or no attention to the social context in which MNCs operate. By contrast, communitarianism conceives of the corporation as a public actor to the extent that its activities affect and are affected by other stakeholders. A corporation's stakeholders are significant in shaping corporate behaviour. In the context of this study, these stakeholders are pivotal in influencing the activities of MNCs in conflict zones.

Finally, the chapter synthesized the elements of the contractarian and communitarian paradigms. It was concluded that an examination of the roles of the MNCs in the social context underscores a nuanced understanding of corporations as private-public actors. In rounding off this chapter, it is instructive to note that the review of narratives and arguments (in Chapter Two) and analyses of MNC-related issues (in Chapter Three and in this chapter) provide the backdrop for explicating corporate behaviour in the DRC – the study's location. Prior to examining corporate behaviour in the DRC, however, it is necessary to present pertinent information on the country and the dynamics of conflict. Therefore, the next chapter focuses on the study's location: it presents an overview of the DRC and discusses the longevity of conflict in the country.

CHAPTER FIVE

THE DEMOCRATIC REPUBLIC OF CONGO: '*SCANDALE GÉOLOGIQUE*' AND THE LONGEVITY OF CONFLICT

"Congo is a big country – you will eat it until you tire away"[76]
(quoted in Whitman, 2012: 129).

5.1 Introduction

The previous chapter examined two theories that frame the epistemic contours of this study: conflict transformation and stakeholder theories. It was noted that conflict transformation captures the dialectics of conflict and prescribes mechanisms for building peace – attributes that underscore its relevance to the DRC, a country that has been plagued by protracted conflicts. The stakeholder theory of MNCs foregrounds the interactions between a company and society. As noted above, the analysis of stakeholder relationships shows how corporate actions affect society on one hand, and how other actors in society influence corporate behaviour on the other hand. In conflict situations, such as the DRC, such an interlocking relationship shapes the trajectory of conflict and the prospects of peace. The chapter furnished important insights into the private activities and public roles of MNCs. A crucial area of scholarly interest, given the phenomenal expansion of MNCs, is the presence of corporations in conflict zones. A conflict zone in which MNCs have been active since 1996 is the DRC.

This chapter presents an overview of the study's location – the DRC – with specific reference to its history, geopolitical attributes and its economy. It highlights the DRC's enormous natural resource endowment, arguably an unparalleled trait that gives the country the designation of '*scandale géologique*', translated literally as geological scandal (Nzongola-

[76] This translation of an expression in Kiswahili (a language spoken in Central and East Africa) is indicative of the DRC's enormous natural wealth, which domestic and external actors have plundered unrestrainedly.

Ntalaja, 2002: 4, 13). However, in another sense, *scandale géologique* speaks to the contradictions of the DRC's enormous natural resource base: the country's mineral wealth is a significant factor in its perennial woes. Based on this premise, this chapter highlights the centrality of natural resources to the vicious cycles of instability in the country. Specifically, it discusses the exploitation of the DRC's resources in relation to 'Africa's world war' – the deadliest conflict in the continent's contemporary history. The tortuousness of the war (which engulfed the DRC between 1998 and 2003) derived from the involvement of several national armies, armed groups and profiteering networks with strategic/security, military and economic agendas in which the exploitation of conflict minerals featured prominently. The discussion of the First and Second Congo Wars illustrates the resource-conflict nexus. Finally, this chapter – in its explication of the resource dimensions of Congo's current traumas – highlights the international demand for, and exploitation and trafficking of, columbite-tantalite (commonly known as coltan) as a key factor in conflict perpetuation especially in the volatile eastern region of the country.

5.2 Overview of the DRC: history, geopolitics and economy

> "Africa has the shape of a revolver; the trigger is the Congo"
> (Frantz Fanon, quoted in Mutume, 1999: i. d.).

The DRC, situated across the Equator and located in Central Africa, is the continent's second largest country after Algeria.[77] Its total land mass is 2,344,858 square kilometres. The DRC "is nearly twice the size of South Africa, three times the size of Nigeria, five times the size of France, and over 80 times the size of little Belgium, its former colonial power" (Nzongola-Ntalaja, 1998: i. d.). A testimony to the country's colossal size is that it shares borders with the following nine countries in Central, Eastern and Southern Africa: Angola, Burundi,

[77] Until July 2011, the DRC was Africa's third largest country after Algeria and Sudan. However, the DRC became Africa's second largest country sequel to the secession of South Sudan from Sudan.

Central African Republic, Republic of Congo, Rwanda, South Sudan, Tanzania, Uganda, and Zambia.[78] The DRC "has three distinct land areas" (Moyroud and Katunga, 2002: 168). These are: (i) "the tropical rain forests, located in the central and northern parts of the country"; (ii) "the savannahs, located in the northern and southern parts of the country"; and (iii) "the highlands, which consist of the plateaux, rolling meadows, and mountains found along the country's eastern border, all along the Great Rift Valley." Of the DRC's total landmass, "only 3% is arable land and 77 % [consists of] forests and woodland" (Moyroud and Katunga, 2002: 168). The DRC's population (based on 2013 estimates) is 75,507,308, with an annual growth rate of 2.54% (CIA, 2013: i. d.).

In terms of economic profile, natural resource abundance is the most important factor in the country's strategic significance. Of all the world's countries, the DRC is arguably the best endowed with natural resources.[79] It "possesses 50% of Africa's forests", and its forestry as well as mineral resource profile underscore "its potential role as an economic power in central Africa" (Vandiver, 2010: i. d.). Natural resources (see section 5.3 below) provide the backbone for the national economy. The mining sector is the single largest source of export income. Other export commodities include wood products and coffee. The DRC's main imports consist of foodstuffs, transport equipment, mining machinery and fuels. The highest contributions to gross domestic product (GDP), based on 2012 estimates, are agriculture (44.2%), industry (22.6%) and services (33.1%). The country's economic growth rate is seven percent per annum (CIA, 2013: i. d.). Its GDP per capita is estimated at US$ 400. However, 71% of its population live below the poverty line, placing its people in the bracket of the poorest on earth. This poverty level contrasts sharply with the country's economic growth rate and enormous mineral wealth. Political instability, corruption and predatory

[78] See Appendix 1 for the map of the DRC.
[79] See section 5.3 of this chapter for the DRC's natural resource profile.

mineral exploitation have severely hampered the DRC's ability to translate its potentials into economic gains.

Furthermore, the DRC is endowed with enormous water resources, including an impressive network of waterways. The Congo River carries the second largest volume of water in the world; its flow into the Atlantic Ocean has been measured at 40,000 cubic metres per second (Gourou, 1980). This flow of the Congo River is a potential source of hydroelectric power. The potential to generate hydroelectric power has been harnessed – albeit marginally – through the Inga Dam projects (that is, Inga I, Inga II, Inga III, and Grand Inga), with the capacity to supply the electricity needs of the DRC and its neighbours.[80] Based on the assessments of their hydroelectric potential, it has been observed that the Inga projects could "light up the whole of Africa" (Games, 2013: i. d.). The DRC's power generation capacity makes it a strategically important country in Africa, especially in view of the continent's energy needs.

In addition to the aforementioned attributes, the DRC has the prospect of putatively being Africa's 'bread basket'. The country's agricultural potential derives from "an estimated 75 million hectares of arable land, of which at least 10 million hectares are used for cultivation and pasture land (which amounts to approximately 1.5 hectares per agricultural household)" (Smoes, 2012: 72). A third of the DRC experiences rainfall all year round, thus guaranteeing stable agricultural yield and potentially obviating crop failure. This point is illustrated with reference to a fraction of the country, the North Kivu and South Kivu provinces. It has been noted that the Kivu provinces "have the potential to rank among the most productive places in Africa. The region is indeed a critical supplier of water, energy, food and arable land.

[80] According to Vidal (2013: i. d.), the completion of these projects "would make the Grand Inga development the largest hydro project in the world, generating twice as much as the Three Gorges dam in China. In theory, it could provide 40% of Africa's electricity needs."

Most farmers can yield up to three harvests a year" (Moyroud and Katunga, 2002: 168). However, the DRC has been unable to harness its agricultural potential due to protracted conflicts and the lure of natural resources.[81]

In terms of geopolitical structure, the DRC consists of ten administrative divisions (called provinces) and one city. The provinces are Bandundu, Bas-Congo, Équateur, Kasai-Occidental, Kasai-Oriental, Katanga, Maniema, Nord-Kivu (North Kivu), Orientale, Sud-Kivu (South Kivu). Kinshasa is the capital city.[82] A number of areas in the provinces are of importance to the country's political economy. These locations include the country's second largest city, Lubumbashi (which is regarded as the DRC's mining capital and its economic powerhouse), Kisangani (the third largest city), and diamond-rich Mbuji-Mayi.[83]

The DRC's history is replete with instances of penetration and exploitation. The story of the outside penetration and exploitation of what became the DRC begins with the arrival of exogenous forces in the form of Portuguese traders. The Kongo empire (as it was then known) had its first contact with Europeans in 1482 when Portuguese explorer, Diogo Cão, "discovered" the Kongo villages after sailing into the mouth of the Zaire – now Congo – River (Gondola, 2002: 31). In 1485, Diogo Cão returned to Portugal with a group of Kongo emissaries. The group returned to Africa in 1491 with priests, soldiers, and European commodities. Relations between the Kongo and the Portuguese centred on missionary activities and commerce (Fyle, 1999: 55). The Kongo king sold slaves and ivory to the Portuguese in return for luxury goods from Europe. By 1571, Kongo became a vassal state of

[81] In the wake of the coltan boom for instance, many farmers and young men jettisoned "the hoe for the shovel" (Interviews with Professor Kibanda Matungila [Kinshasa], 20 October 2010; and with a mining economist (GTN) [Lubumbashi], 25 October 2010). This expression (and its alternate rendition, "to swap the hoe with a shovel") refers to the situation in which large numbers people abandoned their farms and resorted to mining (especially in search of the black gold, coltan).
[82] See Appendix 2 for the DRC's political map.
[83] Interview with a professor of Political Science (GN) [Lubumbashi], 26 October 2010.

Portugal (Stokes, 2009: 375). At this point, Portuguese penetration of the region had paved the way for further European (British, Dutch, and French) presence and exploitation.

The Belgians arrived in the region in 1819 under the aegis of the International Association of the Congo. Commercial exchanges between Europeans and the locals intensified. In 1877, Anglo-American journalist, Henry Morton Stanley, produced a report that highlighted the enormous natural wealth of the region. Stanley's report caught the attention of the Belgian king, Leopold II, who immediately sought to exploit the region's resources by setting up a private venture to colonise the territory. Leopold II subsequently commissioned "Stanley to establish the king's authority in the Congo" (BBC, 2013: i. d.). The Belgian king secured commercial interests in the region through treaties with local chiefs. Leopold II's bold initiative to access the region's resources marked a watershed in the "scramble for Africa", in which European powers later staked claims to different parts of the continent. In 1884-85, the Berlin Conference crystallised the 'scramble for Africa'. European powers at the conference formally recognised Leopold II as the sovereign over Congo. In return for the formal recognition of his claim to the Congo, Leopold II granted concessions, including free access to the region, to European traders and missionaries. In 1885, Leopold II rechristened the territory the Congo Free State (BBC, 2013: i. d.).

Leopold II appropriated all land in the Congo Free State. In his quest for the exploitation of the territory's resources, Leopold II despatched missionaries to the Congo Free State, provided them with property and extended the right to perform state functions to them. The missionaries monopolised service provision in the education and health sectors (Africana.com, n. d.: i. d.). With Leopold II's backing, European merchants and settlers harnessed the resources of the territory. The unbridled exploitation of the resources of the

Congo Free State did not go down well with the locals. Disenchantment over the plundering of the region's resources led to protests. Sporadic conflicts ensued between the region's traders and the *Force publique*, that is, the Free State military (Africana.com, n. d.: i. d.).

In addition, commercial companies, which Leopold II had granted concessions to exploit the region's resources, employed maximum force to suppress local protests against the plunder of the region's wealth. The brutal suppression of dissent combined with famine and epidemics to decimate the population of the Congo Free State (Africana.com, n. d.: i. d.; Nzongola-Ntalaja, 2002: 14). By 1900, the brutality of Leopold II's rule had become infamous. International pressure groups made strident calls for reforms in the spheres of commerce and governance, which Leopold instituted – albeit haphazardly – in 1906. Sustained pressure and burgeoning debt subsequently forced Leopold II to transfer the Congo Free State to the Belgian government thus absolving him of any personal responsibility over the territory. In effect, the territory – officially – became a Belgian colony. A name change took also place: Congo Free State became Belgian Congo (Africana.com, n. d.: i. d.).

A Colonial Trinity – made of up the colonial administration, big foreign business and the Roman Catholic Church – administered the Belgian Congo (Merriam, 1961: 1). However, the Belgian state exercised exclusive control over civil and political matters in the region. The colonial government isolated Congolese from higher levels of civil administration. Belgian and other Western MNCs controlled the economic life of the indigenous people. Congolese had limited (if any) opportunities in the civil service and in private enterprise/trade. The colonial government designed and controlled educational services with a view to preventing the emergence of numerically significant elite that could form the core of the nationalist movement. Graduates formed a miniscule elite class of citizens, known as *évolués*, whose interest was to share comfortable living in the major cities of Elizabethville (now Lubumbashi) and Leopoldville (now Kinshasa).[84] The logical inference that can be drawn from the colonial architecture and its *modus operandi* is that the overall system served, not the interests of the Congolese, but those of the Belgian government.

Belgium's colonial policy was characterised by what Merriam (1961: 32) calls "Benevolent Paternalism". Through the operationalisation of this principle, the Belgians sought to address the physical and material needs of the Congolese but neglected substantive prerequisites such as preparing the Congolese for the future task of nation building.

The Belgians felt that "what the Congolese needed was work, money in his pocket, food in his belly, managed education, religion and technical training" (Legum, 1972: 39). This subjective interpretation of the needs of the Congolese provided justification for their exclusion from higher positions in government and in the military; these positions were an exclusive preserve of Europeans, mainly Belgians (Nzongola-Ntalaja, 2002: 6). M'bokolo (1999: 203) captures this historical reality thus:

> In the Belgian Congo … some sources reckoned that in 1958, there were 176 000 people out of a total population of 13 million […] comprising 31 642 'white collar workers', 110 222 skilled and semi-skilled workers, 2335 foremen, 1430 members of the liberal professions, 19 710 shopkeepers and 11 259 self-employed craftsmen. Other estimates, however, put the figure at 300 000 … the proportion of employees, possessed of the knowledge and skills dispensed by the colonial schools, greatly outweighed that of the entrepreneurs, whose initiative found no scope in the constricted and discriminatory system of colonization. These key personnel were to lead the independence movements.

[84] *Évolués*, literally translated as "evolved" or "developed", referred – during the colonial period – to Africans who had imbibed European values through assimilation or education. These individuals served as clerks in the colonial administration and lived in the urban areas. They were perceived as desirable products of the colonial policy of assimilation (DeLancey and DeLancey, 2000).

Clearly, Congolese were not (worthy of being) prepared for governance. This fundamental deficit in the colonial arrangement not only influenced political dynamics in the country but also accounted partly for its subsequent woes.

The early 1950s marked a turning point in the political history of the Congo: the colonial government began to face intense opposition from the Congolese. Ironically, *évolués* led this struggle against foreign domination. They demanded reforms, which included the rights of Congolese to own land, participate in politics and access top echelons in public administration. The colonial authorities acceded to these demands in an incremental fashion. For instance, in 1957, the Belgians granted franchise to Congolese in municipal elections. Anti-colonial sentiments waxed stronger despite the modest political reforms that the Belgians implemented. In 1959, serious revolts orchestrated by a nationalist movement, *Alliance des Bakongo* (ABAKO) [Bakongo Alliance], seriously weakened Belgian control over the territory (BBC, 2013: i. d.).

That *évolués* led agitations for independence caught the Belgians off-guard.[85] In addition, anti-colonialist fervour in the Congo coincided with widespread sentiments in support of self-determination, and against foreign domination, in other parts of Africa. The Belgians initiated the process of granting independence to the Congo, albeit grudgingly. Consultations between Belgians and the Congolese charted the path towards independence.[86] The colonial administration urged *évolués* to form political parties and to hold elections, but Belgian

[85] Ostensibly, to reject or revolt against the system and apparatuses that had "enlightened" Africans smacked of "primitiveness" from which the policy of assimilation (associated with French colonialism) had tried to extricate Africans.
[86] The Brussels Roundtable Conference, held in January-February 1960, was pivotal to the Congo's quest for political independence. It was at this conference that Belgium made commitments to grant independence to the Congo within six months (Nzongola-Ntalaja, 2002: 88).

nationals were expected to remain within the governmental machinery and to retain military positions that they held.

In May 1960, national elections (which involved about forty political parties) were held in the Belgian Congo. However, controversy and stalemate ensued after the elections. The *Mouvement National Congolais* (MNC) [Congolese National Movement], led by Patrice Émery Lumumba, which obtained the majority of votes, had been polarised by intra-party bickering over the form of (post-independence) government, that is, a centralised versus a federalist arrangement. Lumumba's MNC formed a coalition with the *Bakongo Alliance* (under Joseph Kasavubu's leadership) in order to avert an electoral impasse and to defuse political tension. Sequel to a declaration by Belgian King Badouin granting independence to the Congo on 30 June 1960, Kasavubu became the first President while Lumumba was named the Prime Minister in line with the coalition's agreement regarding post-independence power-sharing arrangement (Hoskyn, 1963: 1).

As noted earlier, Belgian colonial enterprise – with its deficient education system – had failed to prepare the Congolese for post-independence politics. Ntanda Nkere, a political scientist at the University of Kinshasa, provides a case in point: "when the country became independent, there were only nine people with university degrees" (quoted in Fessy, 2010: i. d.). Thus, at independence, the Belgians handed the administrative reins to individuals who had little knowledge, let alone mastery, of governance.[87] Fundamentally, the colonial system forestalled the emergence of a critical mass of enlightened and competent citizenry. The task of post-independence nation building could not have been more herculean. It is not

[87] Lumumba's (educational) profile illustrates this point: Lumumba attended a Protestant Mission School but did not attend university. His first job was post-office clerk (Wallerstein and Cordell, 2014: i. d.). This example supports M'bokolo's (1999: 204) contention that the leaders of the nationalist movements were largely drawn from the ranks of the lower middle class.

surprising that the effect of Belgian colonial policy began to manifest immediately after independence. As noted elsewhere, the net effect of "Belgian failure to prepare the DRC for nationhood and to instil a sense of cohesion and nationalist fervour in the people did not take long to manifest" and the country's "gravitation towards state failure was only a matter of time" (Whetho, 2006: 24).

Barely a week after independence, erstwhile Belgian military apparatus, *Force publique* (that is, the army), which had been renamed *Armée Nationale Congolaise* (ANC) [Congolese National Armed Forces], mutinied (Nzongola-Ntalaja, 2002: 95, 89, 270). Large-scale chaos erupted as troops attacked and killed Belgian officers. Violent confrontations ensued between Belgians and Congolese on one hand, and between Congolese ethnic groups on the other. Animosities nurtured during colonialism fed into ethnic hatred and civil strife. Separatists in Katanga, led by Moise Tshombe, proclaimed the independence (secession) of the province. Belgian troops were deployed to Katanga "ostensibly to protect Belgian citizens and mining interests" (BBC, 2013: i. d.). This set the stage for successive foreign military interventions in the Congo.

Subsequently, external actors (consisting of white mercenaries predominantly drawn from white-ruled Rhodesia and apartheid South Africa, France and the United States – through the United Nations Operation in the Congo (ONUC) [July 1960-June 1964]) surreptitiously backed Moise Tshombe's attempts to excise the mineral-rich Katanga province from the Congo. Evidently, the object of external support for Tshombe's secessionist efforts was to protect foreign economic interests (Nzongola-Ntalaja, 2002: 113; 135). Since then, the Congo has borne the brunt of covert and overt foreign interventions. Foreign incursions into the Congo have been patterned after, and are thus embedded in, the historical episodes of the 1960s.

The disturbances of the immediate post-independence period eventually truncated the political experiment. Notably in September 1960, Kasavubu dismissed Lumumba as Prime Minister; the latter declared Kasavubu's action unconstitutional. Crisis brewed, and Lumumba was placed under house arrest. In February 1961, Lumumba was kidnapped and assassinated, an act in which Belgium and the United States were complicit (Nzongola-Ntalaja, 2002: 106-112).[88]

Taking advantage of the political crisis, the Chief of Staff of the ANC, Colonel (later General, and from December 1982, Marshal) Joseph Désiré Mobutu (later Mobutu Sese Seko) seized power through a *coup d'état* in September 1960 (Nzongola-Ntalaja, 2002: 271). However, Mobutu relinquished power in 1961 to allow for the formation of a government of national unity. Although Katanga's secessionist attempts were eventually halted in 1963, political tensions simmered. Free and fair elections conducted in May 1965 did little to extricate Congo from the throes of political crisis (Nzongola-Ntalaja, 2002: 271).

In November 1965, Mobutu used the political discord between Kasavubu and Tshombe as a pretext to stage his second coup (Nzongola-Ntalaja, 2002: 271). Mobutu remained in control of the country's political firmament for thirty-two years during which "an extraordinary personalization of political rule resulted [and] a cult of personality flourished" (McCalpin,

[88] Nzongola-Ntalaja, an eminent scholar on DR Congo's history and political economy, recalls that "Lumumba's fall and assassination were the result of a vast conspiracy involving US, Belgian and UN officials on the one hand, and his Congolese political enemies, including Kasa-Vubu, Mobutu and Tshombe, on the other" (Nzongola-Ntalaja, 2002: 107).

2002: 42). Indeed, "[t]he Mobutu regime was characterised by repression and tyranny; its record of brutality was *nonpareil*" (Whetho, 2006: 24).[89]

It is worth noting that Western powers supported (and consolidated) Mobutu's brutal regime. Nzongola-Ntalaja (2002: 160-161) predicates external support for the Mobutu regime on three interdependent premises. First, the need to prevent or contain the spread of communism (especially in central Africa) in the context of Cold War politics. Second, "the need to support loyal friends, regardless of their behaviour towards their own people" – another strand in the logic of Cold War politics. Third, and perhaps the most important factor, was "the need to use the Congo to promote Western interests in Central and Southern Africa". At stake were the strategic and economic interests of the United States in particular.

Given the foreign policy priorities of the Western powers during the Cold War, the unflinching support for an ally (that is, Mobutu) – a bulwark of some sort against communism – was an absolute imperative. In essence, the fight against communism and the need to curtail Soviet influence in Africa provided strong incentives in Western capitals for backing Mobutu. For example, the United States assisted Mobutu by building his 'arsenal' through a "steady supply of rifles, ammunition, trucks, jeeps, patrol boats, and communications equipment. By the time the dictator was ousted in 1997, the U.S had delivered more than $300 million (measured in constant 1998 dollars) in military hardware to Mobutu's regime" (Hartung and Moix, 2000: 3). The West put "a hearty arsenal of deadly weaponry" at Mobutu's disposal (Hartung and Moix, 2000: 3), in spite of his egregious

[89] It is instructive to note that Mobutu's name and the titles he adopted typified nothing but absolutism. As self-proclaimed Founder-President of the Nation, the Enlightened Guide, and the Leopard, Mobutu claimed *bona fide* right to exercise absolute power the Congolese, whom he regarded as his "children". His full name, *Mobutu Sese Seko Koko Ngbendu Wa Za Banga*, which he adopted in 1972, depicted such absolutism. There are several translations of his name. The most common translation goes thus: the earthy, the peppery, and "the all-powerful warrior who, because of his endurance and inflexible will to win, will go from conquest to conquest, leaving fire in his wake" (Wrong, 2000: 4).

human rights record.[90] Western support led to the entrenchment of "Mobutuism" – a broad term that encapsulates the personal philosophy/ideology of Mobutu as well as the glorification of the leader's idiosyncrasies.

The cumulative effect of "Mobutuism" is that it combined with colonial legacies to undermine the Congolese state and to jeopardise its prospects for survival. Clark (2002: 2) notes with reference to this point that "the internal logic of Mobutu's … state was such that it evolved inexorably toward collapse." As DR Congo's recent history shows, the inexorable movement of the country towards possible collapse became more profound as Mobutu's 32-year rule neared its end.

An exposé of DR Congo's history portrays the impacts that colonialism and immediate post-independence politics had, and still have, on the country. Belgian colonialism, the policies of Western powers, and "Mobutuism" have informed DR Congo's postcolonial traumas, including the protracted conflicts since Mobutu's ouster. History shows that "the only constant in more than three decades of DR Congo's independence had been patrimonialism, authoritarianism, and political decline" (McCalpin, 2002: 46). This 'constant' to which McCalpin refers was a hallmark of Mobutu's rule, which was characterised by the personalisation of power and the politics of exclusion.

During Mobutu's three-decade-long rule, movements towards the institutionalisation of popular political participation in the Congo were ruthlessly suppressed (Mvuluya, 1997). However, the suppression of pro-democracy efforts did not dampen agitations for political reform. On the contrary, his brutality (invariably) provoked attempts to dislodge his regime.

[90] As this researcher noted elsewhere, it can be said that Western powers betrayed the Congolese in at least two instances: first, their complicity in the assassination of DR Congo's first Prime Minister and Pan-Africanist, Patrice Émery Lumumba; and second, their support for Mobutu and his dictatorship (Whetho, 2006: 25).

Several instances of underground resistance and guerrilla activities sought to depose his government. For instance, the Angolan-based *Front National pour la Libération du Congo* (FNLC) [National Front for the Liberation of the Congo] launched an offensive (known as the Shaba invasions) to topple the Mobutu regime in 1978-79. Remarkably, Belgian and French paratroopers as well as logistical support from the United States quashed the offensive. Such overt international support for Mobutu's regime continued until the end of the Cold War.

The end of the Cold War meant that a key rationale for Western support for Mobutu (that is, combating Soviet influence and the spread of communism in Central Africa) no longer existed. This dramatic change in the international landscape, which led to a decline in Western support for Mobutu, coincided with internal factors: a shrinking economy plagued by steep debt, the emergence of a more potent civil society (buoyed by the gains of democratic transition elsewhere) and popular discontent with one-party rule. Mobutu understood the implications of these factors and acquiesced to demands for political reforms. He proposed the convocation of a *conférence nationale souveraine* (CNS) [sovereign national conference] in 1991 at which Congolese politicians and civil society actors were expected to chart a new political dispensation for the country (Nzongola-Ntalaja, 2002: 189).[91]

Mobutu's resistance to proposed political reforms and procedural disputes derailed the CNS. Two governments emerged, resulting in political stalemate. Mobutu headed one government. Two persons, namely Monsignor Laurent Monsengwo (former Archbishop of the Roman Catholic Church in Kisangani who presided at the CNS) and Étienne Tshisekedi (veteran

[91] The CNS opened on 07 August 1991 but was disrupted a month later due to looting and violence by unpaid and disgruntled soldiers. It reconvened in 1992 but (as later became apparent) Mobutu was not interested in political reforms as he insisted on retaining substantial powers and formed his own government by the end of the year in contravention of the spirit of the CNS (Nzongola-Ntalaja, 2002: 189-208).

politician and leader of the *Union pour la Démocratie et le Progrès Social* (UDPS) [Union for Democracy and Social Progress]) headed the other government. The political stalemate ended in 1994 when the two governments merged to form the *Haut Conseil de la République-Parlement de Transition* (HCR-PT) [High Council of the Republic-Parliament of Transition] with the proviso to hold presidential and legislative elections within two years (Gebrewold, 2009: 99). Mobutu reneged on promises to hold elections and instituted a protracted transition programme, leading to widespread discontent in the country. During this period, political developments elsewhere complicated politics in Zaire (as the country was then known).[92]

In the 1990s Central Africa was a hotbed of instability (mainly in the form of *coups d'état* and civil strife), resulting in humanitarian emergencies that had transborder implications. One of the foremost traumas in central Africa, the genocide in Rwanda in 1994,[93] had ramifications for politics in Zaire inasmuch as the Tutsi-led Rwandan Patriotic Front (RPF) halted the genocidal campaign, defeating the *génocidaires* (that is, the perpetrators) who then fled Rwanda and established bases in refugee camps in eastern Zaire.

Between 1994 and 1996, the refugee camps provided spaces for *génocidaires* to regroup, to launch attacks on Rwanda, and to orchestrate "the slaughter of Tutsi citizens and residents of the Congo" (Nzongola-Ntalaja, 2002: 224). The RPF government asserted that the presence of the *génocidaires* in eastern Zaire and their activities constituted a serious national security

[92] It should be noted that the country's name has been changed a number of times since independence. It was known as the Democratic Republic of Congo from 1964 to 1971. Mobutu unilaterally changed the country's name from Congo to Zaire in October 1971. After Mobutu's ousting in 1997, (the late) Laurent-Désiré Kabila renamed the country the Democratic Republic of Congo (Nzongola-Ntalaja, 2002: 1).

[93] The Rwandan genocide (the mass slaughter of Tutsis and moderate Hutus by elements in the *Forces Armées Rwandaises* (FAR) [Rwandan Armed Forces] and Hutu extremists, known as the *Interahamwe*) claimed between 800,000 and one million lives in three months (Nzongola-Ntalaja, 2002: 223). For detailed accounts of the genocide, see Gourevitch (1998), Des Forges (1999), Mamdani (2001), and Prunier (2009).

threat that needed to be obliterated. Mobutu's government and the UN (which was responsible for managing the refugee camps) failed to address this problem, thus providing a justification for Rwanda to resort to self-help. This marked Rwanda's intervention in Zaire, which it predicated on "humanitarian and defensive grounds" (Longman, 2002: 128).

Around this period, Congolese dissidents formed an armed group – *Alliance des forces démocratiques pour la libération du Congo-Zaire* (AFDL) [Alliance of Democratic Forces for the Liberation of Congo] – with the aim to topple Mobutu. On 06 August 1996, the AFDL, under the leadership of (late) Laurent-Désiré Kabila, launched a rebellion against Mobutu, marking the beginning of the *First Congo War* (1996-1997). The RPF government saw an opportunity to neutralise the *génocidaires* in Congo. With support from Rwanda and Uganda, the AFDL swept through Zaire as Mobutu's poorly motivated soldiers offered little or no resistance.[94] AFDL troops seized Kinshasa on 17 May 1997, marking the end of Mobutu's rule. Kabila proclaimed himself president and renamed the country Democratic Republic of Congo. As will be shown later in this chapter, this did not mark an end to the country's woes, as the *Second Congo War* (1998-2003) erupted just over a year later.[95]

As this section showed, the DRC has had a chequered history. This section's 'incursion' into the DRC's history attests to the fact that the country's 'biography' is steeped in conflict. Congolese have never experienced peace over a sustained period in the post-colonial era. A series of post-colonial traumas (highlighted in this section) illustrates the country's perennial tempestuousness, making it the most volatile in Africa's Great Lakes Region. This historical

[94] A highly controversial and unresolved point is that AFDL's seven-month rebellion against Mobutu was allegedly characterised by retaliatory "massacres of Hutu non-combatants (old men, women and children)" by commanders and officers of the Tutsi-backed rebellion (Nzongola-Ntalaja, 2002: 224).

[95] The *Second Congo War* was sparked by a schism in the alliance that brought Kabila to power. Rwanda and Uganda – two countries that had backed Kabila in the rebellion that overthrew Mobutu – took up arms against Kabila, chiefly because Kabila had reneged on the terms under which the alliance was consummated and sustained (see section 5.4 of this chapter).

setting provides insights into the DRC's protracted political malaise, including intractable conflicts in which natural resources have been implicated. As a prelude to explicating resource connections to conflicts in the DRC, it is necessary to offer a glimpse of the extent of the country's mineral wealth. Accordingly, the next section presents an overview of the DRC's natural resource endowment.

5.3 '*Scandale géologique*': a sketch of resource endowment

> Economically, the Congo has enormous wealth in natural resources. During the early phase of colonial penetration, a Belgian prospector was so awed by the wide range of mineral resources that he was led to conclude that the Congo was a geological scandal (Nzongola-Ntalaja, 1998: i. d.).

The DRC is blessed with an assortment of mineral resources, and references to the country as a geological scandal are based on this reality. In other words, the term, *scandale géologique* (geological scandal) refers to the country's colossal natural resource endowment. However, *scandale géologique* has assumed a different meaning in the wake of protracted conflicts in which natural resources have been a factor. Nzongola-Ntalaja (1998: i. d.) captures the alternate conception of *scandale géologique* thus:

> The real scandal … is that the country's wealth has not been used to benefit the vast majority of its inhabitants. During the colonial period, this wealth was extracted basically to spur the economic development of Belgium. Since independence, it has been used mostly to enrich the state bourgeoisie that emerged during the Mobutu regime, together with their foreign associates ... Therein lies the deeper significance of the present crisis.

Nzongola-Ntalaja uses the term, *scandale géologique*, with reference to three distinct contexts: (i) the exploitation of the country's resources, during colonialism, to develop the colonial metropole; (ii) the appropriation of natural resources (revenues) by the Congolese elite and their foreign counterparts during Mobutu's rule; and (iii) the pillaging of the country's natural resources during the First and Second Congo wars. Similarly, Lemarchand (2009: ix) explains the 'scandal' in the context of a juxtaposition namely, chronic poverty in the midst of immense mineral wealth. According to Professor Kibanda Matungila,[96] natural resource abundance, which should benefit the country and its people, has become a bane and an albatross to peace and development. This alternate connotation of *scandale géologique* coheres with the 'resource curse' thesis.

The two meanings of *scandale géologique* are relevant to this study. This section, which provides a sketch of the DRC's natural resource endowment by way of a brief description and reference to the DRC's share of world reserves of these strategic resources, is based on the first meaning. The resource dimensions of conflicts in the DRC, explored subsequently in this chapter, illustrate the second meaning.[97]

It is said that the DRC possesses "no less than eighty-seven different types of minerals" Lemarchand (2009: ix).[98] The total mineral wealth of the country was "estimated to be some $24 trillion – equivalent to the GDP of Europe and the US combined" (Morgan, 2009: 52). Natural resources that have strategic value – by virtue of their uses – include "copper, cobalt, tin, zinc, gold, diamonds, iron ore, silver, cadmium, uranium, europium, niobium (or columbite), tantalum and thorium" (Nzongola-Ntalaja, 2002: 28). An overview of these strategic minerals follows.

Copper: is a malleable metal, which is used in the manufacture of materials that conduct heat and electricity. It is also used in the construction of buildings. "Copper reserves in the DRC

---

[96] Interview [Kinshasa], 20 October 2010.
[97] See sub-sections 5.4.3 and 5.4.4 below.
[98] It is impossible to present (in this section) information on *all* the natural resources that the country possesses. Therefore, this section focuses on a number of strategic resources, or those that are found in commercial quantities in the DRC.

are of great importance, amounting to 34 percent of global reserves" (Zittel and Exner, 2013: 64), making the country home to the second largest reserves in the world (World Bank, 2007: 28). The DRC is the world's largest supplier "of high-grade copper" (Montague and Berrigan, 2001: i. d.). Much of the DRC's copper reserves are found in the Katanga province.

Cobalt: is used in jewellery, paints and tint glass. It is also "used in a variety of industrial and military applications, the most important of which are in the construction of jet engines, in superalloys and batteries" (World Bank, 2007: 28). The DRC has the world's largest (36%) reserves (World Bank, 2007: 10) and accounts for 28% of global production of cobalt (Zittel and Exner, 2013: 64). Another estimate puts the country's share of world's reserves at 60% (Montague and Berrigan, 2001: i. d.).

Cassiterite (*Tin*): this mineral "is a hot commodity" used by the "global electronics industry" as a solder in circuit boards. The DRC once accounted for between 10% and 15% of the world's tin supplies (Sundaram, 2006: i. d.). It is estimated that the country holds about 50% of world's tin reserves while projections indicate that the DRC would become the world's largest tin supplier between 2017 and 2022 (Metalbulletin.com, 2012: i. d.).

Zinc: is the "fourth most widely consumed metal in the world after iron, aluminium, and copper". It is combined "with other metals to form materials that are used in automobiles, electrical components, and household fixtures" (Geology.com, n. d[a]: i. d.). The DRC has 10% of the world's zinc reserves (AfDB/OECD, 2007: 212).

Gold: this coveted precious metal is used for coinage, ornamental objects and jewellery (Geology.com, n. d[b]: i. d.). Gold "is also used by the electronics industry – as a coating for wires" (Global Witness, 2011: i. d.). The DRC "was the world's fifth-largest gold producer in the 1960s" (Lourens, 2012: i. d.). It is said that the DRC has one of the "biggest gold reserves in the world" (Eaves, 2012: i. d.) but its percentage share of world's reserves is unknown.

Diamonds: these are renowned as valuable gemstones. Diamonds are used as abrasives and constitute key elements in the production of jewellery, lasers, and x-ray machines. The DRC accounts for 38% of global production and holds 25% of the world's diamond reserves (Zittel and Exner, 2013: 64).

Cadmium: this precious metal is used in batteries, electroplating, and nuclear fission. It also has a number of laboratory uses (Scoullos *et al*., 2001). The DRC's share of world's reserves is unknown.

Uranium: this strategic mineral has civilian and military uses, namely to fuel nuclear power plants and to produce nuclear weapons. Although it is assumed that the DRC holds millions of tons of uranium deposits, there are no estimates of its share of world's reserves. It is on record that in the 1960s the country supplied "60% of the world's uranium" (Thorp, 2010: i. d.). It is also worth noting here that Congolese uranium was used to build the world's first atomic bombs dropped on Japanese cities (Hiroshima and Nagasaki) during the final stages of World War II (Montague and Berrigan, 2001: i. d.).

Columbite-tantalum (*coltan*): coltan is a rare, strategic mineral that "forms the basis of a high-tech global commodity chain" (Moyroud and Katunga, 2002: 159). It is used in the manufacturing of cell phones, pagers, digital versatile/video disk (DVD) players, computer chips, night vision goggles, fibre optics, jet engines, space aeronautics and nuclear reactors. The DRC has 80% of the world's coltan reserves (Vesperini, 2001; Ross, 2005) and the mineral has been the country's "most profitable export" (Morgan, 2009: 52). Coltan's strategic nature and value (including its profitability) have made the mineral resource a factor in protracted conflicts in the DRC.[99]

Crude oil: The country "is not a major oil producer [but] it exploits some crude oil offshore, in its territorial waters along the 40-km strip of the Atlantic Ocean" (Nzongola-Ntalaja, 2002: 28). The DRC has large oil reserves estimated at 100 billion barrels (Smoes, 2012: 68).

The DRC possesses other natural resources such as germanium[100], lithium[101], manganese[102], thorium[103], wolframite[104], and zirconium.[105] This brief overview shows the strategic natural resources that the DRC possesses.[106] The overview suggests that the country's shares of world's reserves of these resources are significant. Another important factor is the high

---

[99] Sub-section 5.4.4 (below) discusses coltan connections to the conflicts in the DRC.
[100] Used in the production of photocopying machines, civil and military satellites, and missiles (Interview with Professor Kibanda Matungila [Kinshasa], 20 October 2010).
[101] A mineral resource used to manufacture batteries for computers and other electronic products. It is also combined with other materials to produce hydrogen bombs (Interview with Professor Kibanda Matungila [Kinshasa], 20 October 2010).
[102] An important element in producing stainless steels (Interview with Professor Kibanda Matungila [Kinshasa], 20 October 2010).
[103] Used as fuel in nuclear reactors (Interview with Professor Kibanda Matungila [Kinshasa], 20 October 2010).
[104] This resource is used in the production of electric wires and munitions (Interview with Professor Kibanda Matungila [Kinshasa], 20 October 2010).
[105] Known for its heat resistant quality, it is used in gas turbines, jet engines (Interview with Professor Kibanda Matungila [Kinshasa], 20 October 2010).
[106] See Appendix 3 for the DRC's natural resource map.

quality of the resource deposits found in the DRC – a key attraction for mineral-prospecting companies and local and foreign profiteering networks.[107]

These natural resources are spread in varying amounts throughout the country. However, certain provinces of the country are renowned for bearing large deposits of the strategic minerals. The eastern DRC, the most volatile part of the country, has the largest concentration of natural (and lootable) resources (See Appendices 3, 4, and 5). It is not surprising that Congolese readily link intractable conflicts in eastern DRC to the region's enormous resource endowment.[108] There are large diamond deposits in the Kasai provinces. Diamonds are extracted from communities in Bandundu, Équateur and Orientale. Nord-Kivu, Sud-Kivu and Orientale provinces have large reserves of gold. The Kivu provinces are also the main mining centres for coltan and wolframite. Coltan deposits are found in Maniema. Katanga province has the highest concentration of cobalt, copper, germanium, manganese, and zinc (Kisangani and Bobb, 2010: 355). Perhaps, interviewees' unsubstantiated anecdotal – and perhaps hyperbolic – remarks (during fieldwork), that in many areas of the DRC one could literally strike "gold" and other resources by merely scratching the surface of the ground are indicative of the enormity of DR Congo's mineral wealth.

5.4 Natural resources and conflicts in the DRC

As noted earlier, the DRC is plagued with serious development pathologies despite its immense natural wealth. Local networks (of artisanal miners, militias, traders) and foreign interlopers have taken advantage of state incapacity and political instability to capture

[107] Interview with an official of the *Ministère des Mines* [Ministry of Mines] (AMB) [Kinshasa], 21 October 2010.
[108] Interviews with a civil society activist (APK) [Goma], 11 November 2010; E-interviews (via Skype™) with a youth leader (BTN) [Goma], 26 February 2011; with human rights activist (PM) [Bukavu], 27 February 2011.

mineral sites, extract resources from these sites, or smuggle resources from the DRC via neighbouring countries. In the process, the state loses much-needed revenue for funding basic services and infrastructure reconstruction. The beneficiaries of this illicit exploitation and trafficking are the profiteering networks, (that do not pay any royalties or taxes to the Congolese government) and the DRC's neighbours.[109]

Furthermore, because some parties obtain enormous financial gains and thus become "economic lords", "they do not want to see an end to Congo's troubles".[110] Perennial conflicts in the country's resource-rich zones serve an economic interest; ending the conflicts would undermine that interest. As stated earlier, more often than not, interviewees during fieldwork linked the protracted conflicts in eastern DRC with the presence of strategic and lucrative lootable resources. In order to substantiate this point, an interviewee raised the question: "why is it that conflict continues in the east while other parts of the Congo are relatively peaceful?"[111] Questions such as this foreground the role of natural resources in the DRC's recent travails, especially in what is known as the *Second Congo War*, which this section discusses.

5.4.1 'Africa's world war': proximate causes and key actors

As noted earlier (in the discussion on the DRC's history), the DRC has been perennially tempestuous. It was noted that peace remained elusive, even after Mobutu's ouster. Expectations that the termination of Mobutu's three-decade misrule would bring about peace faded in the wake of the rupture in the alliance that had brought Laurent-Désiré Kabila to

---

[109] Interview with an official of the Ministry of Planning (MML) [Lubumbashi], 25 October 2010.
[110] Interview with an official in the Presidency (JDM) [Kinshasa], 19 October 2010.
[111] Interview with a youth leader (FN) [Lubumbashi], 24 October 2010. Although there is some validity to the interviewee's point, it should be noted, however, that natural resources alone do not account for the conflicts in eastern DRC. The politics of ethnicity and nationality (broadly put, the matter of identity) has been a key factor in the conflicts (see Autesserre, 2010; 2012). As is the case elsewhere, natural resources have intertwined with these factors in some instances to complicate conflicts and to make them intractable.

power. As Kabila swept to power, he needed to satisfy expectations from three quarters. First, the Congolese population who yearned for a 'fresh start' and a clean break from the politics of the past. Second, Kabila's regional allies/backers (especially Rwanda and Uganda) that purportedly had national security concerns, specifically those emanating from eastern DRC. Third, the 'international community' which expected Kabila to implement political, economic (including natural resource governance) reforms to create a stable ambience for FDIs.[112]

On assuming power on 17 May 1997, Kabila promised to institute political and economic reforms. However, Kabila could not, or had little time to, fulfil the expectations of these three constituencies. No sooner had he attained power than he got entangled in political malfeasance (*à la* Mobutu): nepotism, corruption and human rights abuses (Owoeye and Amusan, 2000: 173).[113] His popularity soon waned amongst Congolese. In addition, he drew the ire of the 'international community' for his refusal to allow investigation into alleged massacres of Hutu refugees by his AFDL troops during the rebellion against Mobutu.[114] His regional backers also turned against him, setting the stage for Congo's next conflagration – 'Africa's world war'.

Kabila had appointed Rwandans (Tutsis) to key economic and military posts after he became president. This irked the majority of Congolese who perceived Kabila as a puppet of foreign

[112] Interview with a Professor of International Relations (JO) [Kinshasa], 20 October 2010.
[113] For example, Kabila banned all political parties and public demonstrations, and promulgated a decree that gave him virtually absolute (executive, legislative and military) powers. He appointed members of his Balubakati ethnic group to key posts in the government: his cousin, Gaetan Kakudji became both Minister of State and Prime Minister while his brother, Florrent Kambale Kabila was appointed minister in charge of mining. He removed the Chief of Staff, Massason Nindanga, and replaced him with his son (now President) Joseph Kabila. In addition, prominent opposition figures were jailed for "threatening state security." On 28 May 1997, Kabila's government promulgated another decree, which gave Kabila power to abolish all organs of government. State assets were reportedly acquired for his personal use and the recovery of stolen assets became an enterprise for personal enrichment (Owoeye and Amusan, 2000: 174-175).
[114] See footnote 94, *supra*, page 160.

powers (mainly Rwanda and Uganda). In order to pacify Congolese and assert his authority over the DRC, Kabila relieved foreign appointees of their positions, thanked Rwanda and Uganda for their support for his "revolution" and on 27 July 1998 ordered all foreign troops to leave the country (Owoeye and Amusan, 2000: 175). In effect, DRC's "new king" turned "against the kingmakers" (Lemarchand, 2009: 33). This marked a decisive point of deterioration in relations between Kabila and his regional backers.

Rwanda and Uganda accused Kabila of giving tacit support to subversive elements that had been threatening the national security of the two countries. Specifically, Rwanda accused Kabila of condoning the activities of the *génocidaires*, who were using eastern DRC as operational bases to launch incursions into Rwanda – the same accusation that Rwanda had levelled against Mobutu. Uganda, on the other hand, accused Kabila of aiding the Allied Democratic Forces (ADF) – a rebel movement from Uganda – by allowing supplies meant for the ADF to pass through Congolese territory (Owoeye and Amusan, 2000: 172). Unable to trust the 'king' that they had installed in Kinshasa, Rwanda and Uganda (whose forces were based largely in eastern DRC) officially declared war against the Kabila government on 02 August 1998. This marked the beginning of the *Second Congo War*, a conflict that snowballed into a regional war. At the onset of the war, the initial image in domestic circles of Kabila as a nationalist had been diluted, the regional allies that brought him to power had abandoned him, and the "international community" had come to perceive him as part of the country's problems.

5.4.2 Complexities in 'Africa's world war'

The *Second Congo War* (1998-2003) was characterised by complexities that hitherto had not been witnessed in African conflicts. At one time the war drew in the armies of nine African countries – "directly or through the medium of proxy militias, mafia-style business networks or ethnic links" (Doyle, 2004: i. d.) – and as many as twelve irregular non-governmental militia groups.[115] The conflict involved "a variety of shadow networks, states, mafias, private armies, 'businessmen' and assorted state elites from both within and outside Africa" (Taylor, 2003: 45), with concomitant social, political and ecological dislocation[116] for the whole of Central Africa. The involvement of several local and regional actors gave the conflict the "qualities of a civil war and an international war" (Ross, 2004: 53). This researcher in an earlier study described the war "as an internationalised intrastate conflict" (Whetho, 2001: 62). Between 1998 and 2003, interlopers and foreign national armies with discrete agendas aligned themselves with or fought against Congolese groups in this brutal war of partition and plunder.

The involvement of several actors (and their discrete agendas), including global businesses (Latham, Kassimir and Callaghy, 2001: 2) and profiteering networks has gave the conflict the labels of "Africa's First World War" (Taylor, 2003: 45) and "Africa's First Continental War" (Weiss, 2000: 4). The conflict has also been described as "the most deadly war ever documented in Africa or anywhere in the world during the past half-century" (Clark, 2002: 1). The DRC's conflict, characterised by a "game of alliances" in which every actor was guided by "my enemy's enemy is my friend" logic (Reyntjens, 1998: 10), was undeniably Africa's biggest war since the end of the Cold War. Moreover, according to the International Rescue Committee (2006: i. d.), a global agency involved in peace work, the DRC conflict was "the deadliest since World War II".

---

[115] The national armies of the following countries were involved (to a greater or lesser extent in the war) in the pro-Kabila camp: Angola, Chad, Republic of Congo (or Congo Brazzaville), Namibia, the Sudan, and Zimbabwe. The anti-Kabila camp included Rwanda and Uganda, Jean-Pierre Bemba's *Mouvement de Libération du Congo* (MLC) [Movement for the Liberation of the Congo], and the *Rassemblement Congolais pour la Démocratie* (RCD) [Congolese Rally for Democracy], which due to tensions split later into two, namely RCD-Goma (headed by Emile Ilunga) and RCD-Kisangani (led by Wamba-dia-Wamba).
[116] See footnote 150 (*infra*, page 187) for a discussion of the ecological effect of the war.

The involvement of several countries and private actors and their discrete agendas in 'Africa's world war' illustrate the complexities of the conflict. After the declaration of war on Kabila by Rwanda and Uganda, three countries – Angola, Namibia and Zimbabwe – intervened in support of the government in Kinshasa. This intervention "widened" the war. Although the motivations of Angola, Namibia and Zimbabwe differed (as discussed below), their intervention in the DRC war was in response to Kabila's diplomatic overtures, mainly the request for assistance in dealing with the aggression and invasion of the DRC by Rwanda and Uganda.[117]

Furthermore, Angola, Namibia and Zimbabwe publicly predicated their support for the Congolese government on the logic of mutual defence as provided for in the security and defence framework of the Southern African Development Community (SADC) (Rupiya, 2002: 96; Dunn, 2002: 64). Although the intervention by Angola, Namibia and Zimbabwe foiled the attempt by the Rwanda and Uganda-backed rebels to overthrow Kabila, private communications between key *dramatis personae* in intervening countries, as well as the activities of forces deployed to the DRC revealed other/ulterior motivations for their involvement in the DRC.[118] This observation also features prominently in narratives on the *Second Congo War*. For example, several chapters in Clark's (2002) compendium illustrate the fact that each (intervening) state had its own interest(s) or agenda(s) besides those advanced publicly or in official briefings. Having identified Rwanda and Uganda's "official" motivations for involvement in the DRC conflict, this question follows: what are the specific motivations for intervention by the troika (Angola, Namibia and Zimbabwe)?

[117] Interview with an official in the Presidency (AA) [Kinshasa], 19 October 2010.
[118] Private/confidential communication with an officer (I) in the *Agence Nationale de Renseignements* (ANR) [National Intelligence Agency], [Kinshasa], 22 October 2010.

Angola premised its involvement in the DRC conflict on three key elements. First, national security imperative to neutralise the *União Nacional para a Independência Total de Angola* (UNITA) [National Union for Total Independence of Angola], "especially by interdicting its supplies". Second, the need to protect the oil installations that finance Luanda's war efforts. Third, the need "to maintain a favourable or compliant regime in Kinshasa" (Turner, 2002: 75). In order to guarantee these imperatives, Angola deployed some 5,000 troops to the DRC to support Kabila in the war effort. Later, the troops were stationed around strategic installations, such as "the Inga hydroelectric dam that feeds the Angola grid" (Turner, 2002: 87). Also noteworthy is that Angola's participation in the war effort allowed its leader, José Eduardo dos Santos, to garner "economic spoils" which have enabled him "to cement his hold on power" (Turner, 2002: 87). These key elements presuppose that geo-strategic, political and economic considerations informed Angola's involvement in the DRC.

The government of Namibia premised its involvement in the DRC on SADC's commitment to support Kabila's government. Thus, Namibia deployed "up to 500 infantry troops to help repel the rebel advance toward Kinshasa" (Afoaku, 2002: 121). As with other intervenors, Namibia's involvement was not motivated entirely by its membership of SADC. The economic interests of private individuals, including former President Sam Nujoma's family members, partly underpinned Namibia's intervention in the DRC. Many of Nujoma's family members reportedly were deeply involved in the mining industry in the diamond rich Mbuji-Mayi in the Kasai provinces of the DRC (Owoeye and Amusan, 2000: 176). Therefore, sending troops to protect Kabila and to quell the offensive against him enabled Namibia's 'first family' to protect their economic interests in the DRC.

Fundamentally, three factors underpinned Zimbabwe's involvement in 'Africa's world war'. The first was President Robert Mugabe's desire to project himself as Southern Africa's première statesman and 'kingmaker' as a counterpoise to (the growing influence of a) post-apartheid South Africa. Mugabe's role in the war also provided a counterweight against President Yoweri Museveni of Uganda, whose influence in sub-regional (that is, central African) politics had been on the ascendancy. Second, the formal request by the government of the DRC to the SADC for assistance in dealing with what it termed external aggression provided the impetus for Zimbabwe's deployment of troops in support of Kabila. Finally (as was the case with other actors), the economic motives of Mugabe and his family members made intervention on the side of Kinshasa a *fait accompli* (Rupiya, 2002: 96-97; Owoeye and Amusan, 2000: 176). In sum, sub-regional politics and elite economic considerations underpinned Zimbabwe's involvement in the DRC.

The involvement of Rwanda and Uganda (on the side of the rebels) and Angola, Namibia and Zimbabwe (on the side of the government) exacerbated the conflict. While different state and non-state actors provided "official" reasons for their involvement in the conflict, actual and perceived economic incentives and gains, largely intended to benefit ruling elites, lurked behind decisions to intervene. Apparently, economic activities by the key actors involved in the DRC superseded military-security concerns. Indeed, the exploitation of mineral resources in course of the conflict, either as a means of recouping investment costs in the war or for corrupt enrichment of the military and political elite, foregrounded the economic agendas of various actors.[119] The unofficial view in neighbouring capitals that burdens/costs associated

[119] Interview with the executive director of a civil society organisation (BK) [Lubumbashi], 25 October 2010.

with military involvement in the DRC could be offset by exploiting the country's natural resources contributed to the sustenance of a war economy.[120]

5.4.3 'Africa's world war': resource exploitation and the war economy

Although colonial legacies[121], the politics of ethnicity[122], and national security concerns[123] have been key factors in the conflict, natural resources have been at the hub of the *Second Congo War*.[124] A number of scholars (Afoaku, 2002: 109-128; Clark, 2002: 145-68; Longman, 2002: 129-144; Weinstein, 2000: 11-20; Cassimon, Engelen and Reyntjens, 2013: 39-62) have argued that the underlying motivation for external actors' involvement in the conflict and (by implication) conflict perpetuation has been primarily economic, clearly defined as the attraction to and exploitation of the DRC's resources.

Dunn (2002: 70) poignantly notes that in the course of the conflict, the country became "an economic colony for most of the combatants, with its resources being drained to the east and south". The plundering of the DRC's natural resource wealth, which resulted in colossal enrichment of the region's elite and foreign profiteering networks, led Dunn (2002: 70) to conclude that the war marked the "institutionalization of violence for profit". With reference to the pillaging of the DRC's resources by invading armies of Rwanda and Uganda as well as other profiteering networks, Nzongola-Ntalaja (2004: 15) aptly describes the conflict in the DRC as "the war for Congo's natural resources".

---

[120] This point is based on the assessment that a bankrupt state, or an insolvent government such as the DRC's, or even the rebels that Rwanda and Uganda sided with, could not reimburse intervenors for any military or logistical expenditures (Interview with an officer (II) in the *Agence Nationale de Renseignements* (ANR) [National Intelligence Agency], [Kinshasa], 23 October 2010).
[121] As discussed with reference to the country's history above (See section 5.2).
[122] In the context of the larger Hutu-Tutsi rivalry in the Great Lakes Region.
[123] For example, Rwanda's quest to liquidate the *génocidaires*.
[124] It is acknowledged that the politics of ethnicity and security imperatives were crucial factors in the war. However, the economic motives and the vested commercial interests of parties undermined their saliency.

Furthermore, combatants' 'blitzkrieg strategy' of capturing and controlling mineral resource areas and sites (especially in the two Kivus) demonstrated the centrality of natural resources to the conflict.[125] The allure of the vast mineral wealth of the DRC and the profitability of resource looting for foreign governments, corporate actors, rebel militia movements, and individual officers not only made the war intractable but also vitiated any incentives to end it (Ross, 2004: 53-54). Thus, 'Africa's world war' gave credence both to the high correlation between natural resources and (civil) war, and to the continuation and expansion of its geographical scope (Fearon, 2004; Buhaug and Gates, 2002: 417-33).

The Lusaka Ceasefire Agreement (signed in 1999) and the deployment of United Nations peacekeepers[126] did not halt violent clashes between rebel forces and government troops and between the armies of Rwanda and Uganda. Rather than observe the terms of peace talks, warring parties fought to consolidate their positions on the ground with an eye on a military victory and ultimately the capture of the state. President Laurent-Désiré Kabila's assassination in 2001, and the installation of his son – Joseph Kabila – as president, took place during this period of hostilities.[127] The convocation of the Inter-Congolese Dialogue (ICD) and the signing of the Global and All-Inclusive Agreement in 2002, followed by the formation of a transitional government in 2003, marked the official (declaration of) end of the war but did not bring about the cessation of hostilities. In other words, both peacekeeping

[125] Interview with a military officer (ALK) [Kinshasa], 19 October 2010.

[126] The UN established a two-phase peacekeeping force for the DRC in November 1999. The force, known as *Mission de l'Organisation des Nations Unies en République démocratique du Congo* (MONUC) [that is, United Nations Mission in the Democratic Republic of Congo] initially had over 16,000 troops but later exceeded 20,000 troops under a peacekeeping mandate in what was once the "[UN's] biggest peacekeeping operation" in the world (Sundaram, 2005: i. d.). Following the formal end of the *Second Congo War* and a political transition, the UN in 2010 revised MONUC's mandate to include the eradication of violence (including seeking and destroying rebel groups) in eastern DRC, consolidation of state authority and security sector reform. In line with this new multi-faceted mandate, MONUC was renamed *Mission de l'Organisation des Nations Unies pour la stabilisation en République démocratique du Congo* (MONUSCO) [United Nations Organization Stabilization Mission in the Democratic Republic of Congo].

[127] Reports alleged that anti-Kabila forces (Rwanda, Uganda, and the United States) and curiously Kabila's key ally (Angola) were complicit in the President's assassination. There were suggestions that Angola had begun to doubt Kabila's loyalty and as such wanted him out of power (see Appendix 6 for a video on Kabila's assassination).

and peacemaking initiatives did little to attenuate the conflict. On the contrary, conflicts intensified, largely between signatories to the Lusaka Ceasefire Agreement and among former allies as well as rebel groups in eastern DRC (Boshoff and Rupiya, 2004: 29; Vlassenroot and Raeymaekers, 2004).

Profiteering networks (local and foreign businesspersons, private militias, rebel forces, and MNCs) took advantage of the instability in the eastern part of the country – where much of the DRC's natural resources are located – to exploit and trade in minerals such as diamonds, gold, and coltan.[128] From the point of view of interlopers and profiteering networks, the absence of state authority in eastern DRC and the inability of UN peacekeepers to bring about peace created opportunities for enrichment. Resource-seeking actors entered into informal agreements with rebels or militias controlling mining areas with a view to accessing lucrative minerals.[129] These deals obviated the formal arrangement of paying royalties/taxes to the state or following an ethical code; both are often costly to resource entrepreneurs. Hence, this informal market, which made illicit resource exploitation and trade, and consequently, extensive enrichment possible, provided little or no incentive to end hostilities in eastern DRC.[130]

Illicit exploitation of natural resources provided the funds needed for the war effort while the war sustained opportunities for enrichment. Thus, the conflicts were, in a sense, self-financing. Moreover, the activities of these profiteering networks popularised the concept of "conflict minerals". Strikingly, 'Africa's world war' became synonymous with illicit resource exploitation as different actors pursued what Amnesty International (2003: i. d.)

[128] Sub-section 5.4.4 discusses coltan connections to conflicts in the DRC.
[129] Telephonic interviews with a volunteer with the *Médecins Sans Frontières* [Maniema], 02 November 2010; and with a fieldworker for Refugees International [Bunia], 02 November 2010.
[130] See Appendix 7 for video(s) on mining activities in eastern DRC.

referred to as the "war for profit" agenda. Certain key minerals constituted the revenue base for warring parties in the DRC. Table 5.1 depicts the actors (mainly armed groups) and their revenue base during 'Africa's world war'.

Table 5.1: Major armed groups and revenue base (1998-2003)

Armed group	**Minerals**						
	Coltan	Gold	Tin	Tungsten	Diamonds	Copper	Cobalt
Pro-government forces							
DRC army					√	√	√
Zimbabwean army					√		
Angolan army					√		
Mai-Mai	√	√	√		√		
Anti-government forces							
Rwandan army	√	√	√	√	√		
Ugandan army	√	√	√	√	√		
RCD-Goma	√	√	√	√	√		
RCD-ML	√	√	√	√	√		
MLC	√	√					

Source: Usanov *et al*. (2013: 60).

The activities of armed groups and mineral traders and the connections between those activities and conflict perpetuation highlight the resource dimensions of the conflict in the DRC. Moreover, the nexus between the illicit exploitation and trade in natural resources and the conflict in the DRC has been so strong that Katunga (2006-2007: 16) calls natural resources "engines of chaos". Moyroud and Katunga (2002: 182) sum up the longevity of conflict and conflict perpetuation potential of natural resources in the DRC: "… a vicious cycle of war has developed in the DRC, where the illegal extraction and exploitation of natural resources has come to play a conflict-sustaining role."

Overall, the *Second Congo War* – essentially a war of partition and plunder – was a multi-layered conflict that had concomitant repercussions in terms of human casualties, social dislocation, economic downturn and destruction of deficient infrastructure.[131] Africa's deadliest war and its aftermath resulted in extensive human displacement, producing millions of internally displaced persons and refugees.[132] It reportedly claimed 5.4 million lives, with an average of 45,000 deaths per month (Bavier, 2007: i. d.), making it the largest documented death toll in a conflict since World War II.[133] It is instructive to note that the magnitude and ramifications of the crisis in the DRC underpinned its description "as the world's deadliest emergency" (International Rescue Committee, 2006: i. d.).

As noted earlier, mineral resource exploitation and trade in the context of Africa's deadliest conflict created a war economy in the DRC. Even after the official withdrawal of Rwanda and Uganda, the cycles of violence have been fuelled by the exploitation and trafficking of natural resources and mineral revenue derived therefrom. The Congolese army and rebel groups (which continued to receive foreign support) took centre stage in the cycle of violence for profit. Table 5.2 shows the main armed groups that were involved in this cycle and their revenue base between 2006 and 2008.

---

[131] The *Second Congo War* is described as multi-layered because of several related (and sometimes unconnected) episodes of violence that plagued the country between 1998 and 2003. Notable instances of such episodes include, but not limited to, the Hema-Lendu ethnic conflict in Ituri in early 2001 and the clashes between regional forces, mainly the armies of Rwanda and Uganda in Kisangani in August 1999 and May-June 2000 (Murison, 2002: 227).

[132] It has been estimated that the war and its aftermath produced some 2.6 million internally displaced persons and 460,000 refugees (see Ranard, 2013; Refugees International, 2013).

[133] The scale of this conflict in graphic terms: "[i]n a matter of six years, the world lost a population equivalent to the entire country of Ireland or the city of Los Angeles" (International Rescue Committee, n. d.: i. d.). It should be noted that although military operations claimed a great number of lives, war-related consequences such as food shortages, hunger, diseases and the collapse of health infrastructure accounted for more deaths.

Table 5.2: Major armed groups and revenue base (2006-2008)

Armed group	**Minerals**							
	Coltan	Gold	Tin	Tungsten	Manganese	Diamonds	Copper	Cobalt
DRC army (FARDC)	√	√	√	√	√	√	√	√
Mai-Mai	√	√	√			√		
PARECO	√	√	√					
FDLR	√	√	√	√				
CNDP	√	√	√		√			

Source: Usanov *et al*. (2013: 61).

Although relative peace prevailed in most parts of the DRC after the formal end of the *Second Congo War*, the eastern region of the DRC (the two Kivus – North and South – and the Ituri region) remained a theatre of war. The eastern DRC continues to be plagued by conflict, even as at the time of writing.[134] With reference to eastern DRC, which is still characterised by instability, no natural resource has been more prominent in the region's volatility than a strategic mineral – coltan. International attraction to coltan, its lootability[135] and stupendous profitability have made it a key factor in the instability in eastern DRC. This study singles out coltan for separate scholarly attention, given the strategic nature of the mineral and its centrality to the cycles of violent conflict in eastern DRC. Accordingly, the next section discusses coltan exploitation in the context of the conflict in the DRC.

[134] The eastern DRC has been and continues to be a flashpoint of violent conflict and intermittent rebellion. For instance, the region has witnessed sporadic conflicts between the Mai-Mai (Congolese grassroots-based militia group) and foreign forces. There have been several rebellions in the east. The most notable have been those orchestrated by the by the *Forces démocratiques de libération du Rwanda* (FDLR) [Democratic Forces for the Liberation of Rwanda], a Rwandan Hutu rebel group; the *Congrès national pour la défense du peuple* (CNDP) [The National Congress for the Defence of the People], led by General Laurent Nkunda; and the *Mouvement du 23-Mars* [March 23 Movement] popularly known as the M23 led by Bosco Ntaganda.

[135] See Chapter Two of this thesis.

5.4.4 Coltan exploitation and conflict in the DRC

> "Greed for coltan haunts the DRC" (Lalji, 2007: 34).
>
> International competition for scarce resources in general, and for coltan in particular, is a key factor in the lack of state stability and the continuation of war in the DRC (Montague, 2002: 104).

As noted earlier, the DRC holds 80% of the world's coltan reserves. Moyroud and Katunga (2002: 172) attest to the abundance of this mineral in the country: "[i]n eastern DRC, coltan deposits are found everywhere in farms, forests, savannahs, private and government land, in protected and unprotected areas". Coltan is derived from *col*umbite-*tan*talite, "an essential but rare mineral" (Montague, 2002: 105). It is a strategic mineral whose value is arguably unrivalled by that of any other mineral that the DRC possesses.[136] Montague (2002: 104) refers to coltan as "the jewel of the DRC's mineral wealth". Coltan's strategic value derives from its manifold uses and the international demand for it. Lalji (2007: 35) profiles coltan's strategic nature thus:

> Its strength, high density, and chemical properties make it a valuable metal used in the manufacture of capacitators [sic] in high-tech and medical devices, including mobile phones and laptop computers. The US government extensively hoards stores of this mineral, and the US Department of Defense classifies coltan as a strategic mineral.

Coltan is also used in the manufacturing of video games (such as Play Stations), "missiles, ships, and weapons systems" and it has

> become extremely valuable as technological advances have helped increase demand for the mineral … In the late 1990s demand for coltan skyrocketed following the boom of the technology industry. Between 1990 and 1999, sales of tantalum capacitors used in the electronics industry for cellular phones, pagers, PCs, and automotive electronics increased by 300 percent (Montague, 2002: 105).

---

[136] Interview with a director in the *Ministère des Mines* [Ministry of Mines] (ML) [Lubumbashi], 26 October 2010.

This demand engendered a "coltan rush", or the "gold rush for coltan" (Lalji, 2007: 35). Dizolele (2007: i. d.) observes that "[a]t the beginning of 2000, a pound of unprocessed coltan cost between US$30 and US$40 on the international market [but by] the end of the year, the price had risen tenfold to US$400." This phenomenal demand for coltan, and the DRC's abundant reserves of it, made the country an attractive site for international buyers, including MNCs. However, it is worth noting that the international "rush" for DR Congo's coltan took place while the country was in the throes of "the most deadly conflict since WWII" (Coghlan *et al.*, 2004: iii). In addition, the strategic mineral is located in the most volatile region of the country – the eastern DRC. Therefore, the activities of coltan miners and traders – both local and foreign – as well those of forces controlling resource-bearing areas are bound to intertwine with, or affect or be affected by, the dynamics of conflict.

The absence of state authority fuelled illicit exploitation of coltan by rebels, invading armies and foreign corporations whose main goal was to satisfy the tremendous international demand, ultimately with a view to making profits. Neighbouring countries, mainly Rwanda and Uganda, became conduits for exporting coltan and other minerals extracted from the DRC. According to Montague (2002: 105), many MNCs "imported coltan from the DRC via Rwanda for use in Europe, Asia and the United States."[137]

Furthermore, the nature of the local-global supply chain for coltan facilitated illicit exploitation and trade. The local-global supply chain links individuals, informal and formal

[137] The MNCs include "Banro-Resources Corporation, Geologistics Hannover, Rwasibo-Butera, Eagleswings, Veen, Soger, Afrimex, Cogecom, Ventro Star, Raremet, Finiming Ltd., Union Transport, Specialty Metal, and Finconcorde" (Montague, 2002: 105). Montague's list of the corporations involved in the coltan trade is drawn from the report of the United Nations Panel of Experts on the Illegal Exploitation of Natural Resources and Other Forms of Wealth of the Democratic Republic of the Congo, June 2000 (see United Nations Security Council, 2000: 13).

networks. Generally, artisanal miners do the actual mining of coltan.[138] The ore is then sold to a number of intermediaries (sometimes up to two or three) who in turn transport the mineral out of the DRC[139] (mainly to Burundi, Rwanda and Uganda and sometimes, South Africa[140]). Once the mineral is out of the country, a company claims ownership of the ore and sells it to another company, usually the processing company. At this stage in the local-global supply chain, it is difficult, if not impossible, to pinpoint the origin of the mineral.[141] Montague (2002: 105) captures this point thus: "[o]nce the coltan is sold onto international markets it is impossible to trace it from the end product back to the mines." Perhaps a much more fundamental facet of the local-global supply chain is that the "sale of coltan lacks a certification process that would flag its place of origin, as is currently being internationally implemented for conflict diamonds. Congolese coltan in effect reaches the market unnoticed and unhindered" (Montague, 2002: 105-106). In practice, the lack of a certification scheme for coltan means the absence of the modest restraints that would typically apply in the trade of (other) conflict minerals, which are (fairly) regulated by international regimes.

The "coltan exploitation cycle" (Moyroud and Katunga, 2002: 174) highlights the stages and assortment of actors involved in the extraction and sale of the resource. The cycle consists of five stages: (i) exploration (ii) detection (iii) extraction (iv) transportation, and (v) treatment. At stages (i), (ii) and (v), MNCs that undertake illicit investment in the DRC provide equipment that assist with identifying, locating, and determining the quality of coltan. Stage

[138] MNCs are generally hesitant to get involved in the actual mining process for a number of reasons. MNCs have been hesitant to establish direct presence in the mining areas in the aftermath of the public scrutiny of their operations arising from the reports of the UN Panel of Experts (Interview with a journalist (DMT) [Kinshasa], 20 October 2010). Besides, it is cost effective for MNCs to buy coltan from intermediaries rather than undertake capital-intensive investment in volatile resource-bearing areas of the DRC. Finally, coltan has a high degree of lootability, and as such, can be mined and transported easily by unskilled individuals.
[139] Several interviewees mentioned and corroborated this point in interviews conducted during fieldwork in the DRC.
[140] Interviews with a journalist (AL) [Kinshasa], 20 October 2010; with a colonel in the Congolese army [Kinshasa], 21 October 2010; with a youth leader in Ndjili community [Kinshasa], 22 October 2010.
[141] See Appendix 8 for the pictorial presentation of the local-global supply chain.

(iii) involves the use of basic equipment by unskilled individuals to excavate the mineral (a dimension of coltan's lootability). At stage (iv), military vehicles and light aircraft transport coltan from the DRC to Burundi, Rwanda and Uganda (Moyroud and Katunga, 2002: 174-175). Different actors play various roles across these stages.[142] For instance, resource-bearing communities provide the pool of unskilled individuals (artisanal miners) needed to extract coltan. Armed groups (national armies and rebels/militias) generally provide access to mines or "protection" to miners. Local and regional businesspersons serve as intermediaries or merchants. Burundi, Rwanda and Uganda serve as conduits to international markets. Foreign corporations oil the demand and supply mechanisms for coltan. In their performance of these roles, these non-state and state actors lubricate the local-global supply chain for coltan and provide economic resources that support the political agendas of belligerents in the DRC.

The local-global supply chain and the lack of a certification scheme have sustained a "pattern of illicit investment" (Montague, 2002: 106) in eastern DRC and foregrounded the imbrication of coltan in the conflicts in the region. It is instructive to note that this "pattern of illicit investment" by MNCs in particular predated the *Second Congo War*. For instance, during the AFDL rebellion against Mobutu Sese Seko (that is, the period of the *First Congo War*), several MNCs (re)negotiated mining deals/concessions with the leader of the rebellion (the late Laurent-Désiré Kabila) in order to access or retain control of mining sites or protect supplies from the DRC.[143] In addition (and more importantly), some MNCs funded "military operations in exchange for lucrative contracts in the east of the DRC" (Braeckman, 1999: i.

[142] See Appendix 9 for the tabular representation of the "key factors in coltan exploration" (Moyroud and Katunga, 2007: 175).
[143] These MNCs included Anglo-American Corporation, Anvil Mining, De Beers, and Tenke Mining Corporation (Montague, 2002: 106).

d.).[144] The (re)negotiation of contracts and the funding of the AFDL's military operations set a pattern that was carried over into the period of the *Second Congo War*.

The *Second Congo War* involved more actors than the First. Hence, the *Second Congo War* was characterised by the looting of the DRC's natural resources by more actors. Apart from local businesspersons and MNCs, neighbouring states and their officials became involved in the plunder of the DRC's mineral wealth, creating and consolidating extensive and robust networks that sustained the war economy.[145] Rwanda and Uganda – two countries that fought against Laurent-Désiré Kabila – began to feature prominently in the reports on the illicit exploitation of the DRC's natural resources, especially coltan.

Sequel to the occupation of eastern DRC by Rwanda and Uganda, companies reportedly created by (or that had close ties with) politicians and high-ranking military officials in both countries began to exploit coltan and other resources in the occupied territories. Rwanda and Uganda also "directly or indirectly, appointed local rebel faction leaders and field commanders to serve as conduits for illicit trade originating from the occupied territories of the eastern DRC" (Montague, 2002: 106). Besides, the armies of Rwanda and Uganda "ravaged the Kivu provinces for coltan" (Lalji, 2007: 36). It was "estimated that the Rwandan army made $20 million per month mining coltan in 2000" (Ware, 2001: i. d.). Rwanda and Uganda earned millions of dollars from coltan sales and these revenues financed

[144] These companies included "American Barrick Gold Corporation (whose shareholders include former President George Bush), the Australian Russell Resources headed by David Agmon, a former Brigadier General in the Israeli army, the Austrian company Krall, and the Canadian Banro American Resources" (Braeckman, 1999: i. d.).

[145] It is instructive to note that even MONUC (as it was then known) – a peacekeeping structure – was complicit in the illegal exploitation of coltan. Noury (2010: 34) stated that MONUC was "heavily criticised, including by the UN itself, in the light of allegations, some substantiated, concerning its complicity with rebel troops and other kinds of illegality and malpractice". For instance, in a highly publicised incident in August 2011, a UN official was arrested in Goma near the Rwandan border for mineral trafficking (Kavanagh, 2011: i. d.).

their war effort in the DRC (Montague, 2002: 107).[146] The economic spoils obtained from coltan exploitation and trade provided little or no incentive for Rwanda and Uganda to withdraw from eastern DRC despite international pressure to do so. Interestingly, some observers suggested that the armies of Rwanda and Uganda continued to control mining areas in eastern DRC after they publicised their "withdrawal" from the occupied territories.[147] In most cases where direct presence was likely to expose their illicit activities, the Rwanda and Ugandan armies generally conducted their "coltan business by proxy"[148] – a reference to the use of Congolese groups and intermediaries.

Armed groups relied on force or the threat of force to access coltan sites and to enlist villagers as artisanal miners. The RCD – the rebel group that was backed by Rwanda and Uganda but which later split – and the armies of both countries became the "most significant actors in coltan mining and trading in eastern Congo" (Usanov *et al.*, 2013: 58). Armed groups generally imposed taxes on coltan mining and transport in the areas under their control (Nest, 2011: 86). In addition to direct involvement in mining operations, armed groups generated revenue to finance their war effort through "setting up illegal taxes and fees and from 'gate keeping' at mining locations. For example, the RCD made every trading house (*comptoir*) pay US$ 15,000 for a yearly license, and collected taxes on mineral exports, estimated at 8% of the total export value" (Usanov *et al.*, 2013: 58). For its part, the Rwandan Patriotic Army (RPA) "provided protection to miners and companies extracting

[146] It is noteworthy that Rwanda and Uganda recorded higher coltan exports at the height of their occupation of eastern DRC. In 2000 for instance, "Rwanda produced 83 tons of coltan from its own mines [but] managed to export 683 tons!" (Noury, 2010: 35). This leads to an incontrovertible conclusion: significant amounts of Rwanda's coltan exports came from the DRC. Similarly, "despite the lack of any known coltan or niobium production in Uganda, exports of these minerals steadily increased between 1997 and 1999" (Guenther, 2008: 353).

[147] E-interviews (via Skype™) with a civil society activist (PMU) [Goma], 24 June 2012; with a Political Science lecturer (VK) [Goma], 26 July 2012; and with a journalist (JPM) [Goma], 26 July 2012.

[148] Interview with a field researcher for Enough Project [Kinshasa], 24 October 2010; and E-interview (via Skype™) with a journalist and blogger (PB) [Goma], 26 February 2011.

coltan in exchange for sharing their profits" (Usanov *et al*., 2013: 59). This arrangement sustained the Rwandan army and its operations in the DRC.

Apart from direct involvement in mining and illegal taxation, armed groups floated companies or entered into joint venture arrangements to reap economic benefits from coltan exploitation and trade. For example after the split of the RCD rebel group into two (RCD-Goma and RCD-Kisangani), RCD-Goma created a company – the *Société Minière des Grands Lacs* (SOMIGL) – to handle its coltan business. RCD-Goma granted SOMIGL monopoly in terms of the exports of all coltan produced in the territories under the rebel group's control. SOMIGL's monopoly enabled RCD-Goma to maximise the spoils from coltan exports and to obtain optimal tax returns. For example, the rebel group earned some US$2.5 million in tax revenue from coltan in three months from late 2000 to early 2001 (Nest, 2011: 87). The funds provided the requisite economic backbone for the group's war efforts. Furthermore, coltan revenues made it possible for armed groups (and even grassroots militias) to maintain autonomy, crucially "for their supply of military equipment" (Moyroud and Katunga, 2002: 182). Armed groups were able to purchase military equipment that they could not have acquired if they had no access to coltan and to other sources of mineral revenue.

As different actors jostled to maximise economic spoils from the coltan trade, competition for access to and control over the strategic mineral ultimately fostered "warlordism" (Guenther, 2008: 355) and as noted already, undermined the prospects for conflict reduction and peacebuilding. Obviously, the militarisation of coltan exploitation has exacerbated conflicts in eastern DRC. For instance, there has been infighting between local militias and rebel groups over access to or control of mining sites and the distribution of mineral revenues.[149] Usanov *et al*. (2013: 60) report on the violent struggles that typically ensued between armed groups:

> [c]ompetition over the control of the coltan mines often led to violent confrontations between the different armed actors. The number of clashes between the Rwandan army and the Mai-Mai intensified during the coltan boom between May and December 2000. Some of Rwanda's attacks directly targeted coltan mines with the aim of capturing stocks of mined coltan. Clashes over coltan and gold also took place between the Mai-Mai, the Ugandan army and the MLC rebel group in the Ituri district of Province Orientale.

Several low-intensity conflicts over coltan have been waged by the Mai-Mai who are opposed to resource extraction by foreign actors (Moyroud and Katunga, 2002: 180). Remarkably, during the formal occupation of eastern DRC by Rwanda and Uganda, there were cases of violent conflicts "between Rwandan and Ugandan forces and their respective Congolese client factions … around coltan-rich areas in the so-called 'coltan belt' ... These battles … exacerbated ethnic relations, devastated entire communities, and undermined efforts to rebuild the foundations of a civil society" (Montague, 2002: 112).[150]

In light of the connections of coltan (and other natural resources) to the conflicts in eastern DRC, the government of Joseph Kabila in September 2010 banned all mining activities in the coltan-rich provinces of North Kivu, South Kivu and Maniema (BBC, 2010: i. d). The ban was imposed in order to neutralise the economic powerbase of the rebels and to cut off a vital source of revenue for the DRC's neighbours that were involved in illicit economic activities

---

[149] An interviewee stressed this point with reference to the frequent emergence of splinter rebel groups and factional battles between rebel movements in eastern DRC (E-interview (via Skype™) with a Professor of Political Science [Kisangani], 25 July 2012).

[150] The conflicts in eastern DRC have produced far-reaching deleterious consequences – environmental and human. Coltan exploitation and coltan-related conflicts have wreaked ecocide or ecological damage, for example the decimation of endangered species (of both flora and fauna) in the World Heritage sites: Kahuzi-Biéga National Park and Virunga National Park (see Moyroud and Katunga, 2002: 173). Conflicts have also displaced 81% of the region's population and more than 16% have repeatedly suffered sexual violence (Autesserre, 2010: 2).

in eastern Congo. The ban, which hurt artisanal miners the most (as they depended on coltan mining to eke out a living), "failed to halt smuggling and break the link between armed groups and the mineral trade" (Doya, 2011: i. d.). On the contrary, "members of the military … used their role in enforcing the ban to increase their stake in the mineral trade" (Doya, 2011: i. d). On the ground, illicit exploitation and trafficking in coltan and other resources persisted as armed groups (mainly Congolese soldiers and CNDP commanders) continued to conduct mining transactions with merchants and investors.[151] The government lifted the ban six months later. Since then, efforts by the Congolese government and MONUSCO have been redirected towards neutralising armed groups in eastern DRC (VOA News, 2014: i. d.).

In rounding off the discussion in this section, it is pertinent to note that the nuanced understanding of the resource-conflict link (presented earlier in this study[152]) applies in equal measure to coltan and to the explication of its role in the conflicts in the DRC. This nuanced understanding framed Grespin's (2010: 30) apt observation regarding the role of coltan in the conflict: "[w]hile coltan is not a root cause of conflict in the DRC, it is indisputably an aggravating and conflict-sustaining factor … Many of the inter-tribal and economically driven microconflicts plaguing the DRC are aggravated by the patterns of coltan extraction and transport." In other words, while it is not a causal basis for war, coltan, as a factor in the DRC conflict, has played and continues to play a conflict-sustaining role. As shown in this section, the allure of or the "gold rush" for Congo's coltan (and by extension, other minerals) has sustained the vicious cycle of conflict in the country. Therefore, Lalji's (2007: 34) observation carries historical and contemporary weight: "[g]reed for coltan haunts the DRC."

---

[151] E-interviews (via Skype™) with a journalist and blogger (PB) [Goma], 26 February 2011; and with an official of a faith-based network (AT) [Bukavu], 28 February 2011.
[152] See Chapter Two.

5.5 Conclusion

This chapter has presented a broad overview of the DRC – the study's location. The first section introduced the chapter. The second section described the key attributes of the country, which give it geo-strategic significance in central Africa in particular and Africa at large. The DRC's landmass, topography, climate and hydroelectric capacity are important sources of potential and actual power. However, the country's chequered history (defined in terms of political instability and the longevity of conflict) has precluded the transformation of such potential power into actual power, or the harnessing of geo-strategic attributes for development. Belgian colonial policies and the warped agendas of and interventions by foreign powers in the early days of statehood combined to set the Congo almost irrevocably on the path of governance deficit, state deflation/failure and associated development pathologies. The import of the discussion in the second section of this chapter is that historical realities are germane to understanding the DRC's current traumas.

Employing the notion of *scandale géologique*, the third section of the chapter profiled the DRC's enormous mineral wealth. The term was used, in a sense, with reference to the country's enormous natural resource endowment. The DRC is arguably the richest country in Africa in terms of natural resources. To provide a glimpse of the extent of its mineral wealth, the section highlighted the DRC's share of world reserves of key minerals. In addition, it was noted that the natural resources found in the DRC are of the highest (and in some cases, the best) quality. Moreover, it can be deduced from this chapter that the attraction to DR Congo's minerals has been a factor in the country's perennial woes. Here, *scandale géologique* finds application in the second context that speaks to the curse of natural resources.

The fourth section, which discussed Africa's deadliest conflict, presented an aspect of the DRC's postcolonial traumas. A discussion of 'Africa's world war' showed the complexities associated with the biggest war since World War II: the multiplicity of actors and shifting agendas and allegiances, covert and overt motivations of parties, and the concomitant deleterious consequences of the conflict. Although a number of causal bases and factors were at play in the conflagrations in the DRC from 1997 to 2003, the section (in line with the scope of this study), focused on the natural resource dimensions of the First and Second Congo Wars. Cognisant of the intricate nexus between natural resources and conflict, this researcher noted that natural resources played a conflict perpetuation role in the DRC. Mineral exploitation and trafficking involving networks of state and non-state actors created a war economy that brought the conflict-financing capacity of natural resources to the fore. The illicit exploitation of natural resources (such as cobalt, copper, diamonds, gold, manganese, tin and tungsten) and the revenue that various actors obtained from resource trade provided little or no incentive for ending the conflict. In this sense, the Congo's resources have been a major factor in conflict perpetuation.

However, as the fourth section showed, of all the Congo's resources, one in particular – coltan – has been a more decisive element in conflict perpetuation during and after the *Second Congo War*. The 'gold rush for coltan' has been a phenomenon sustaining the vicious cycle of conflicts in eastern DRC. As noted in the section, the local-global chain for coltan has made it difficult to address the supply dimensions of coltan trade with a view to curbing illicit activities in the chain, primarily at source. More importantly, the absence of a certification scheme (analogous to the KPCS for diamonds) has been a critical impediment to addressing the coltan connections to conflict in the DRC. The net effect of these systemic inadequacies is that coltan has been (and remains) a key variable in the cycle of chaos in the

DRC. It is likely that international attraction to coltan – a "rare mineral" (Montague, 2002: 105) – will remain high in view of its strategic value, which perhaps is unrivalled by any other mineral. As mentioned earlier, international attraction to natural resources (such as coltan) has been a key motivation for investment by foreign economic actors (mainly MNCs) in resource-bearing environments, including conflict zones. With specific reference to conflict zones such as the DRC, the actions of foreign corporate actors have implications for conflict dynamics and the prospects for peace. In line with this premise, the next chapter of the thesis focuses attention on corporate behaviour in the DRC.

CHAPTER SIX

EXPLICATING CORPORATE BEHAVIOUR: MULTINATIONAL CORPORATIONS IN THE DEMOCRATIC REPUBLIC OF CONGO

6.1 Introduction

The preceding chapter presented an overview of the DRC. In doing so, it described the country's historical trajectory, providing insights into how colonial legacies, post-independence politics and foreign interference have combined to render the country perennially tempestuous. The previous chapter also provided a sketch of the DRC's resource endowment, noting how *scandale géologique* appositely captures the country's immense mineral wealth. As discussed, the DRC's physical attributes and mineral wealth highlight its geo-strategic significance. However, the chapter also showed that natural resource abundance has been part of the DRC's nemesis. Basically, both the attractiveness of DR Congo's natural resources and their lootability have been contributory factors in the country's cycles of post-colonial traumas, especially since the mid-1990s.

Specifically, the preceding chapter explored the connections between natural resources and the First and Second Congo Wars. In this regard, it touched on key state and non-state actors whose agendas and activities have exacerbated or contributed to the longevity of conflict in the DRC. It is pertinent to state that mineral-prospecting and resource-trading MNCs are, arguably, the most important ***economic*** actors in the context of the resource dimensions of the wars. Therefore, this chapter focuses on MNCs in the study's locale. Which MNCs are relevant in unpacking the study's intricate nexus or triangulation of minerals, business and conflict in the DRC? What reaction did the activities of these MNCs elicit, especially from the international community? How does the immediate operational environment of an MNC (such as a conflict situation) determine the form that CSR takes, and did MNCs in the DRC undertake CSR activities? How did local, national and international conditions influence corporate behaviour in the DRC?

This chapter explores these questions by examining the activities of prominent mineral-prospecting and resource-trading MNCs in the DRC. It is divided into six sections. The first section gives an overview of the chapter while the second is a profile of selected MNCs in the DRC, mainly those involved in mineral resource extraction, purchasing/marketing and supply chain processes. In section three, the chapter analyses the reports by the UN Panel of Experts, which investigated allegations of the plunder of DR Congo's natural resources. The reports of the Panel of Experts provide a panoramic view of the involvement of key state and non-state actors in the exploitation of the DRC's resources in a way that highlight the resource dimensions of conflicts. Given the scope of this chapter, however, only relevant aspects of the reports (that is, those that deal with MNCs) will be considered. Following this, the chapter – in the fourth section – examines corporate social responsibility by MNCs in the DRC. In line with the study's hypothesis, the fifth section explores the local, national and international contexts of corporate behaviour in the DRC. The crux of this section is to describe how conditions and variables at the three levels of analysis influenced the behaviour of MNCs in the country. Section six concludes the chapter.

6.2 Profiles of selected multinational corporations in the DRC

MNCs are important actors in the context of this study, which explores the link between natural resources, business and conflict. International economic actors were active in the country before it gained independence. However, the MNCs became actively involved in the DRC after its independence, and their influence increased during Mobutu's era.[153]

[153] Interview with a Professor of International Political Economy (ALM) [Lubumbashi], 27 October 2010.

Multinationals with connections to the DRC fall into two categories. In the first category are mineral-prospecting MNCs. This study also refers to these companies as resource-extracting MNCs. These corporations are involved in the exploration and exploitation of natural resources that this study highlighted in Chapter Five. MNCs involved in resource extraction conduct their operations through mining concessions granted to them by some of the key Congolese political actors – either the government or the group controlling the resource-bearing community. Such companies may enter into joint ventures with Congolese companies (sometimes a national company) or a consortium of companies which are incorporated in more than one country. In some instances, mineral-prospecting companies conduct their operations through subsidiaries that may be sold off easily, rather than undertake risky operations in the DRC.[154]

Companies in the second category are resource-trading MNCs. These do not undertake direct mineral exploration and exploitation in the DRC but buy minerals from other MNCs or intermediaries. More often than not, the intermediaries are *comptoirs* (that is, trading houses or mineral merchants) based in the DRC. *Comptoirs* are legitimate businesses – they are licensed and registered by the Congolese government to trade in minerals.[155] In addition, intermediaries may come from the DRC, neighbouring countries or from Asia, Europe, and America.[156] Resource-trading MNCs buy unprocessed minerals, which the companies (may or may not) refine and then sell to end-users. This section provides brief profiles of MNCs in both categories. Although the reports of the United Nations Panel of Experts identified as many as 85 companies as having had connections with the DRC conflict, some of the

[154] Interview with a director in the *Ministère* des *Mines* [Ministry of Mines] (J-PM) [Kinshasa], 18 October 2010.
[155] It should be noted that the use of *comptoirs* might conceal the illicit aspects of mineral exploitation and thus absolve MNCs of responsibility for any illegality in the DRC.
[156] Interview with an official in the *Ministère des Mines* [Ministry of Mines] (J-DK) [Lubumbashi], 27 October 2010.

companies fall outside the two categories outlined above.[157] This study deals specifically with MNCs involved directly with natural resource issues in the form of either exploration/exploitation or trade. Thus, the list of companies in this section is based on research findings during fieldwork in the DRC. In what follows, this study presents the profiles of selected MNCs in alphabetical order.

Afrimex (UK) Ltd

Afrimex (UK) is incorporated and headquartered in the United Kingdom (UK). It was founded in 1984. It is a resource-trading company privately owned by UK national, Ketankumar (or Ketan) Kotecha. The company's sole directors are Kotecha and his wife, Didi Ketan Kotecha. It trades mainly in cassiterite, coltan and wolframite. Between 1998 and 2005, Afrimex was the greatest coltan "trader in terms of volume [and] the second largest exporter of cassiterite from South Kivu, controlling more than 40% of the cassiterite from the province, while also buying minerals from mines in North Kivu" (Global Witness, 2007: 5). Afrimex also acts as a commissioning agent for other companies involved in mineral trade (OECD, 2010: 48). Until 2008, Afrimex obtained its supplies of these minerals from Goma in eastern DRC primarily through *comptoirs* based in the region (Global Witness, 2008: 69). Specifically, it conducted its operations "in eastern DRC through the Congolese registered companies *Société* Kotecha[158] and SOCOMI, both based in Bukavu" (Global Witness, 2009: 68). The company claimed in 2008 that it had terminated its business operations in the DRC (Global Witness, 2009: 68). Afrimex's claim has not been independently verified.

[157] It is worth noting that MNCs are also active in other sectors in the DRC besides the mining industry. These sectors include agribusiness, banking, construction, food processing, security, telecommunications, transport (especially airfreight), and tourism. In some instances, MNCs in these non-mining sectors provided logistical services to actors in the DRC conflict and, therefore, were named in the reports of the UN Panel of Experts as being complicit in the conflict.

[158] *Société* Kotecha is a Congolese company established in the 1960s by Ketan Kotecha's father (UK Parliament, 2006: i. d.). Ketan Kotecha and his wife "are also the directors of *Société* Kotecha" (Global Witness, 2007: 3), a company with strong ties to Afrimex. As a report by Global Witness (2007: 3) indicated, "Afrimex operates in eastern DRC as Société Kotecha".

Amalgamated Metal Corporation PLC

This company was established in 1929. It is incorporated and headquartered in the UK. A seven-member board of directors oversees the company's operations. It "is a worldwide supplier of raw materials and intermediate products, with a focus on non-ferrous metals, steel and construction materials for a broad range of industrial applications. Its geographic spread provides a balanced exposure to localised economic cycles" (AMC Group, n. d.: i. d.). The company has two operational divisions: "AMC Trading and AMC Industrial" (AMC Group, n. d.: i. d). It "operates through subsidiaries or associates in Europe, North America, Africa, Asia and Australasia" (Global Witness, 2009: 62). It conducts its predominantly resource-trading operations in the DRC through its "principal subsidiary" – the Thailand Smelting and Refining Corporation (THAISARCO), whose profile is presented subsequently in this section. Amalgamated Metal Corporation PLC, operating mainly through its "principal subsidiary", is reportedly one the largest buyers of cassiterite from the DRC, mainly from the Kivu Provinces (Global Witness, 2009: 62).

America Mineral Fields (now Adastra Minerals, Inc.)[159]

This is an American mining company incorporated in the UK. It was created in 1979. Jean-Raymond Boulle, a Mauritian-born British citizen, founded the company "in partnership with his brothers Franco and Bertrand" (Prunier, 2009: 140-141). Boulle owns several companies that conduct exploration and mining operations for cobalt, copper, diamonds, gold, nickel and platinum in Africa, North America and South America. George H. W. Bush, former United States President, was until 2006 a member of Adastra's international advisory board (Queyranne, 2006: i. d.). At that time, Mike McMurrough, a friend of former United States

[159] This study uses the company's former name, America Mineral Fields (as opposed to Adastra Minerals Inc.), because it was known as such during the First and Second Congo Wars – the period covered by this study. Moreover, participants (interviewees and respondents to questionnaire) had used this name during fieldwork.

President, Bill Clinton, was the company's chair (Kern, 2007: 99). Listed on the London Stock Exchange and the Toronto Stock Exchange, Adastra Minerals (formerly America Mineral Fields) "engages in the acquisition, exploration, and development of mineral resource properties in Africa. It primarily focuses on cobalt, copper, zinc, and diamond minerals" (Business Week, 2012: i. d.). Its main investments in Africa are in Angola, the DRC and Zambia. The company's mining operations in the DRC are concentrated in Kolwezi (in the DRC's copper belt region), where it extracts cobalt and copper and in Kipushi and Solwezi (where it exploits zinc). In 2006, another MNC, First Quantum Minerals, acquired the company's properties and concession (Business Week, 2012: i. d.). The company reportedly had close links with the late President Laurent-Désiré Kabila and enjoyed sole rights to copper and zinc deposits in the DRC during the tenure of the late Congolese leader.[160]

Anglo-American PLC

Anglo-American PLC was founded in 1917. It is headquartered in the UK. Anglo-American PLC is listed (and its shares are traded) on the London and Johannesburg Stock Exchanges. The company describes itself as "one of the world's largest mining companies" (Anglo American, 2013a: i. d.). Its investments are geographically diverse; it conducts operations in Africa, Europe, and North and South America. Across its global operations, Anglo-American PLC mines copper, diamonds, manganese, nickel, niobium, iron ore, phosphates, platinum, and coal. It is the world's largest producer of diamonds and platinum and the fourth largest producer of iron ore. Its operating profit in 2012 was US$6.2 billion (Anglo American, 2013a: i. d.). Some of the copper, diamonds, and iron ore it produces for the international

[160] Interview with a former Minister of Mines [Kinshasa], 18 October 2010.

market are sourced from the DRC through a joint venture with Adastra Minerals Inc. (formerly America Mineral Fields).

Anvil Mining

Anvil Mining, a Canadian company, was formed in 2002. A Chinese company, Minmetals Resources Limited, acquired Anvil Mining in March 2012. Prior to this acquisition, Anvil Mining's major shareholders were First Quantum Minerals, Deans Knight Management (both based in Canada), and Australia's Colonial First Estate (a financial services company). Anvil Mining was listed on the Toronto and Australia Stock Exchanges. The company was a copper producer. It had investments in the DRC, Philippines and Zambia. It began operations in the DRC in 2002, in the same year that it was established (Anvil Mining, 2011: i. d.). Anvil Mining considered the DRC as its "key focus for exploration" (JETRO, n. d.: i. d.). Its operations in the DRC were concentrated in the copper-rich Katanga Province, where it operated three mines. The three mines – "Kinsevere, Dikulushi and Mutoshi" – were located in the area that "traditionally produced more than 70% of the DRC copper mineral product" (JETRO, n. d.: i. d.). Anvil Mining's strategic investments in the DRC's copper belt zone made it a key economic actor in the DRC. The company was the largest copper producer in the DRC (JETRO, n. d.: i. d.). Moreover, its investment profile and contribution to mineral revenue enabled the company to enjoy government support.[161]

Banro Corporation

Banro Corporation (also operating as Banro Resources), is a Canadian company with connections to Malaysia and South Africa (by virtue of its registration in the two countries). Its major shareholders are Franklin Resources Inc., Tradewinds Global Investors LLC,

[161] Interview with an economist at the University of Lubumbashi (LMBN) [Lubumbashi], 26 October 2010.

Gramercy Funds Management LLC, JP Morgan Chase & Co. (all four are American companies), and Canada's I. G. Investment Management Limited. Banro Corporation's profile states that it "enjoys strong support from institutional investors primarily in North America, the UK and South Africa" (Banro Corporation, n. d[a]: i. d.). It is listed on the Toronto and New York Stock Exchanges. It is primarily a gold mining company. The aim of the company is to create a large gold mining project in the DRC (Barradas, 2011: i. d.). Its main operations in the DRC are in the "gold belt" region in South Kivu and Maniema provinces (Banro Corporation, n. d[b]: i. d.). Banro Resources "holds exploration titles in three gold mining areas in South Kivu (Twangiza, Lugushwa, Kamituga) and one in the neighbouring province of Maniema (Namoya)" (Global Witness, 2009: 24). The company commenced operations in the areas in 1997. This followed the collapse of the state mining company, whose gold mining rights Banro Resources acquired. The conflicts in eastern DRC disrupted Banro Corporation's operations until 2004 when it resumed exploration (Global Witness, 2009: 24).

Cabot Corporation

Cabot Corporation is headquartered in the United States of America. It was established in 1882. Its top five shareholders are American companies that provide financial services: Fidelity Investments, Vanguard Group Inc., State Street Corporation, Royce & Associates and Wellington Management Company. Cabot Corporation prides itself as "a global specialty chemicals and performance materials company" (Cabot Corporation, 2012: i. d.). It operates in more than 20 countries. The company's main activities include the processing of rubber, carbon and precious metals. Its revenue from global operations in 2012 was put at US$3.3 billion (Cabot Corporation, 2012: i. d.). Cabot Corporation is a major buyer of tantalum. There is no company-specific information on Cabot Corporation's presence in the

DRC, through either affiliates or subsidiaries. However, the UN Panel of Experts cited the company "for its indirect business ties and involvement in purchasing, trading and/or using coltan from the DRC", a charge that Cabot Corporation denied (OECD, 2004: i. d).[162]

De Beers

De Beers was founded in 1888. The company is incorporated in two countries – the UK and South Africa. De Beers is owned and controlled by three parties: Anglo American [PLC] with 45% stake, the Oppenheimer family (40%) and the government of Botswana, which has 15% stake (Sguazzin, 2007: i. d.). It is the largest diamond company in the world. De Beers commenced operations in the DRC in 2004. The DRC has been described as "an extremely high priority" for De Beers (Mining Review.com, 2008: i. d.). In line with its objective "to accelerate diamond exploration in [the] Congo", the company stepped up its investment in the DRC after the country's 2006 elections (Sguazzin, 2007: i. d.).

First Quantum Minerals Ltd

First Quantum Minerals Ltd is headquartered in Canada. It was co-founded in 1983 by British nationals Geoffrey Clive Newall and Martin R. Rowley. Its main shareholders are Hexavest Inc. of Canada, UK's Gulf International Bank, and two US-based companies namely, Aperio Group and World Asset Management Inc. First Quantum Minerals Ltd is listed on the Toronto and London Stock Exchanges. Its main business consists of "mineral exploration, development and mining" (First Quantum Minerals Ltd, 2012: i. d.). The company has investments in the DRC, Mauritania, Panama, Peru, Spain, and Zambia. First Quantum Minerals Ltd describes itself as "an established and rapidly growing mining and metals company", specialising in the production of "copper, nickel, gold, zinc and platinum

[162] It is instructive to note that the study participants referred to Cabot Corporation in their responses to questions that the researcher posed during fieldwork.

group metals" (First Quantum Minerals Ltd, 2012: i. d.). Its main operation in the DRC involved cobalt and copper mining, which it suspended in 2009 over disagreements with the Congolese government. The disagreement arose after the Congolese government withdrew the company's mining licence as part of the government's effort to renegotiate the company's contract. The company rejected this move by the government, insisting that the purported revocation of its exploitation permit was in violation of the country's mining code and laws, which protected its investment (First Quantum Minerals Ltd, 2010: i. d). The Congolese government had its way despite the MNC's reservations, forcing the company to terminate its operations in the DRC. First Quantum Minerals Ltd subsequently instituted international arbitration proceedings against the DRC government. It is instructive to note that while the dispute with the Congolese government lasted, "First Quantum … received the support of the Canadian government which delayed, but ultimately failed to stop, approval by the World Bank and IMF for [US]$12.3 [billion] in debt relief to the DRC" (Ryan, 2010: i. d.).

Tenke Mining Corporation

Until 2007 when Lundin Mining Corporation[163] acquired it, Tenke Mining Corporation was headquartered in Canada. It was also listed on the Toronto Stock Exchange. Following its acquisition by Lundin Mining Corporation, Tenke Mining Corporation was de-listed from the Toronto Stock Exchange. The defunct resource-extracting company conducted business in Chile, Argentina (both in South America) and the DRC (Infomine.com, n. d: i. d).[164] Its mining operations in these countries were concentrated in the cobalt and copper sub-sectors. In the DRC, Tenke Mining Corporation undertook cobalt and copper mining in the Katanga Province, where it controlled several mines. Tenke Mining Corporation was an important

[163] Adolf H. Lundin (a Swede) founded Lundin Mining Corporation in 1994. The company is headquartered in Canada.
[164] Although Lundin Mining Corporation took over Tenke Mining Corporation's investment and activities in the DRC in 2007, participants in this study referred to the latter in responses to research questions.

player in the mining business in the Katanga Province. Its economic influence in the copper belt zone was rivalled arguably only by that of Anvil Mining Corporation.[165]

Thailand Smelting and Refining Corporation (THAISARCO)

THAISARCO was founded in 1963. As at the time of writing this thesis, it conducts operations as a subsidiary of Amalgamated Metal Corporation PLC. THAISARCO is "recognised worldwide as an industry leader in the manufacture of tin, tin alloys and tin-related, added value products" (THAISARCO, n. d.: i. d.). It is "the world's fifth-largest tin-producing company" (Global Witness, 2009: 59). The company deals in minerals that are used "in the manufacturing of tinplate for food and drink cans and other types of containers; in solder for the electronics and computer industries; in chemicals as organo-tin compounds for PVC stabilisers, fungicides and wood preservatives; and for use in bearing alloys and pewters" (THAISARCO, n. d.: i. d.). In addition, the company serves the aerospace, automotive, defence, construction, marine, food processing, petrochemical and ceramics industries. It created a trading division in 2008 to handle supply chain aspects of its global operations. The UN Panel of Experts found that THAISARCO had bought minerals from *comptoirs* in the DRC (Global Witness, 2009: 7), prompting its inclusion in the list of MNCs with connections to resource-related conflicts in the country.

The profiles of the aforementioned MNCs present a microcosm of a corporate web from which extrapolations can be made. This web serves as an analytical and practical frame that sheds light on some of the attributes on MNCs with connections to the DRC. In other words, looking at a few MNCs in the DRC enables one to understand investment patterns and

[165] Interview with an economist at the University of Lubumbashi (LMBN) [Lubumbashi], 26 October 2010.

operations by corporate actors.[166] It also highlights the natural resources that MNCs are attracted to, and the modalities for accessing those minerals. Against this backdrop, a few extrapolations can be made:

(i) The vast majority of MNCs with investments, affiliates/subsidiaries, operations (whether sole or joint venture arrangements) in the DRC are owned by individuals and/or entities from the West. Most of the companies are also headquartered in the West.

(ii) These MNCs have extensive (sometimes, global) reach and connections.

(iii) MNCs are attracted to a few strategic minerals that offer very high returns on investment.

(iv) The *comptoir* arrangement suits MNCs that deal in lootable resources as it minimises reputational risks when compared to direct presence in a resource-rich conflict zone.

(v) Resource-trading MNCs largely favour supply chain arrangements that conceal illicit activities in general or the link between minerals and conflict in particular.

(vi) The use of affiliates or subsidiaries might shield the parent company from culpability in illicit activities in the supply chain.

Corporate investment and actions in the DRC reflect the broad patterns presented above. These patterns influence or even shape the *modus operandi* and actual nature of company activities and support base. For instance, companies owned by individuals and/or entities in the West (or those headquartered in the West) may feel insulated from the effects of corporate actions in host environments and, as such, may not be concerned with issues

[166] I am indebted to a Professor of International Political Economy at the University of Lubumbashi for this point. This idea is underscored by the fact that mineral-prospecting and resource-trading companies (and MNCs in general) tend to exhibit certain common attributes, which allow for generalisations or the development of typologies regarding corporate behaviour (Interview with a Professor of International Political Economy (ALM) [Lubumbashi], 27 October 2010).

pertaining to corporate accountability and responsibility. However, the stakes that companies have in host environments may limit the saliency of headquarter location. In the DRC, both mineral-prospecting and resource-trading MNCs have (or had) high stakes in the country, which are crucial to furthering and realising the profit maximisation agenda of these corporations. In a conflict zone, such (investment) stakes and the quest for profit maximisation often directly or inadvertently complicate, exacerbate and/or prolong conflict thus laying bare the connections of business to war.

Moreover, corporate actions in the DRC highlighted the intricate linkages between natural resources and conflict in a manner that generated international concern and response. A significant response from the international community took the form of UN-sanctioned scrutiny of actors involved in the DRC conflict, especially their connections to the country's resources. The next section turns attention to this point.

6.3 An analysis of the reports of the United Nations Panel of Experts

As noted already in this study, the illicit exploitation and trafficking of natural resources marked a defining feature of the First and Second Congo Wars as well as other (subsequent) conflicts in eastern DRC. The palpable connections of natural resources to these violent conflicts (especially the *Second Congo War*) provoked a response from the United Nations (UN). In June 2000, the United Nations Security Council (UNSC) requested the UN Secretary-General at the time, Kofi Annan, to establish a panel to investigate and report on the illicit exploitation of the DRC's natural resources against the backdrop of the resource dimensions of the conflicts in the country. In July 2000, the UN Secretary-General established the panel, known as the *Panel of Experts on the Illegal Exploitation of Natural Resources and Other Forms of Wealth of the Democratic Republic of the Congo* (hereinafter referred to as the UN Panel of Experts, or simply as the Panel). The UN Panel of Experts, whose six-month timeline was extended a few times due to the enormity of its task and reactions to its work, was given the mandate:

(i) "To follow up on reports and collect information on all activities of illegal exploitation of natural resources and other forms of wealth of the Democratic Republic of the Congo, including violation of the sovereignty of that country";

(ii) "To research and analyse the links between the exploitation of the natural resources and other forms of wealth of the Democratic Republic of the Congo and the continuation of the conflict";

(iii) "To revert to the Council with recommendations" (United Nations Security Council, 2001a: 3).

Between 2001 and 2003, the Panel submitted a number of reports on its findings to the Secretary-General, who in turn presented the reports to the UNSC for deliberation and action. The Panel's submissions included the first report in April 2001 (S/2001/357), Addendum to the Report (S/2001/1072, in November 2001), an Interim Report (S/2002/565, May 2002) and the Final Report (S/2002/1146, in October 2002). The Panel subsequently compiled an attachment (S/2003/1027) in October 2003 to the Final Report.[167]

In terms of methodology, the Panel obtained information and evidence from primary and secondary sources. Primary sources included official documentation from government

[167] The October 2002 Report generated angry responses and vehement rebuttals from state and non-state actors that the Panel had indicted for complicity in the illicit exploitation of the DRC's natural resources. Some of the aggrieved parties claimed that the Panel had not given them an opportunity to demonstrate or state their innocence. Therefore, the UNSC instituted a follow-up Panel in order "to pursue a dialogue with individuals, companies and States referred to in the [2002] report, exchange information with those parties, assess key actions taken by them and compile their reactions for publication as an attachment to the report" (United Nations Security Council, 2003: 4). In 2003, the follow-up Panel issued an attachment to the October 2002 Report. The attachment (S/2003/1027) contained the outcomes of the Panel's consultations with the aggrieved parties. It also noted the progress made by the parties (such as desisting from illicit activities in the DRC) after the publication of the October 2002 Report.

"ministries and other institutions as well as recorded minutes of meetings involving various relevant actors" (United Nations Security Council, 2001a: 4). Secondary sources of information included "[r]eports, workshop proceedings, published and unpublished literature" (United Nations Security Council, 2001a: 4). The Panel also conducted interviews with relevant persons, using "various network referrals" (United Nations Security Council, 2001a: 4). Crucially, the Panel travelled extensively in the DRC and visited other countries (in Africa and beyond) which were affected by or involved in the DRC conflict. During these visitations, the Panel interviewed and obtained information (oral testimony or documentary evidence) from individuals, companies, armed groups, civil society actors, government functionaries, and officials of international organisations – governmental and non-governmental. The Panel focused on the role of both state and non-state actors in the illicit exploitation of natural resources and other acts that fuelled the conflict in the DRC.

The UN Panel of Experts uncovered illegal exploitation[168] with respect to "three categories of products": "(a) mineral resources, primarily coltan, diamonds, gold and cassiterite; (b) agriculture, forests and wildlife, including timber, coffee and ivory; and (c) financial products, mainly in regard to taxes" (United Nations Security Council, 2001a: 4). Products in the first category have direct relevance to this study. As the Panel's First Report highlighted, illegal activities took two forms namely, "mass-scale looting and the systematic and systemic exploitation of natural resources" (United Nations Security Council, 2001a: 3). For example, the report indicted the armies of Burundi, Rwanda, and Uganda as well as the RCD rebel

[168] The Panel used four criteria or instances to define or determine illegality. One, an activity was deemed illegal if it violated the sovereignty of the DRC, that is, if it occurred without the consent of the Congolese government. Two, an action was considered illegal if it contravened existing regulatory framework of the DRC, or if it infringed on the law of the country, or violated "an existing body of regulations". Three, an action was regarded as illegal if it deviated from "widely accepted practices in trade and business and the way business [was] conducted" in the DRC. Four, any activity that violated international law was construed as illegal. In determining illegality, the Panel employed these criteria "in a complementary manner, refusing to be exclusive or to focus on one single element" (United Nations Security Council, 2001a: 5).

group for mass-scale looting of coltan in the DRC.[169] The Panel noted with reference to the second form of illegal activities that "[w]hen resource stockpiles were looted and exhausted by occupying forces and their allies, the exploitation evolved to an active exploration phase" (United Nations Security Council, 2001a: 9-10). In this phase, "[b]oth Congolese (civilians and soldiers) and foreigners (civilians and soldiers) became involved in the extraction of natural resources" (United Nations Security Council, 2001a: 10).

It is in the context of the extraction, and by extension, "the production, commercialization and exports of natural resources and other services such as transport and financial transactions" that the Panel indicted several actors, including individuals, national armies, rebel groups, and MNCs (United Nations Security Council, 2001a: 5). With reference to the systematic and systemic exploitation of natural resources, the Panel in its October 2002 Report "listed 29 companies and 54 individuals against whom it recommended the imposition of financial restrictions and travel bans" (RAID, 2004: 2). An annex to the report also included the names of 85 other companies, whose activities the Panel found to be in "violation of the *OECD Guidelines for Multinational Enterprises*" (RAID, 2004: 2).[170] The list included mineral-prospecting and resource-trading MNCs from *inter alia*, Belgium, Canada, Germany, South Africa, Switzerland, Thailand, and the UK.[171]

The Panel mapped the connections of these companies to the DRC, showing how they "directly or indirectly, deliberately or through negligence, contributed to the prolongation of

[169] The Panel uncovered one instance in 1998 whereby Rwandan forces and their RCD allies looted seven years' worth of coltan which had been stocked by a company, the *Société minière et industrielle du Kivu* (SOMINKI) [that is, The Kivu Mining and Industrial Company]. "A very reliable source told the Panel that it took the Rwandans about a month to fly this coltan to Kigali" (United Nations Security Council, 2001a: 8).
[170] The *OECD Guidelines* refer to an international regime on corporate social responsibility, which provides "a government-supported (through voluntary) mechanism for monitoring and influencing corporate behaviour". Governments that subscribe to the Guidelines are required to establish "National Contact Points" to ensure that MNCs comply with the Guidelines and to resolve problems that may arise in the course of MNCs' operations elsewhere (RAID, 2004: 2).
[171] See Annex III of the October 2002 report (S/2002/1146).

the conflict and other human rights abuses" (RAID, 2004: 3). Reports by the Panel of Experts highlighted alleged cases of misconduct by MNCs, which fuelled the conflict. MNCs listed in the October 2002 report fell into one or more of the following categories:

- "Companies that benefited from the direct assistance of the combatants, such as those trading in minerals, which were mined using forced labour or those whose assets were protected by soldiers or militia."
- "Companies supplying arms to either rebel or government forces or even participating in military action."
- "Companies engaged in the smuggling of diamonds to supply international markets, money laundering, and illegal currency transactions."
- "Companies buying minerals from former foreign or rebel-controlled areas without conducting due diligence tests as to where the minerals came from or who was profiting from the trade."
- "Companies directly involved in the trade in resources from former foreign army and rebel-controlled areas of DRC."
- "Companies offering inducements or exercising anti-competitive influence at a time of great instability to secure lucrative concessions or contracts."
- "Companies profiting from lucrative joint ventures, mainly in government controlled areas, set up to exploit DRC's natural resources with little or no benefit going to the Congolese people."
- "Banks failing to exercise due diligence when providing facilities for companies engaged in misconduct" (RAID, 2004: 3).

In line with the findings of the UN Panel of experts as outlined in the aforementioned categories, some participants during fieldwork noted that MNCs were also involved in the payment of taxes to rebel formations and militias. In some cases, payment to rebel forces took the form of a barter in which companies supplied arms in return for mining rights or access to minerals.[172]

In addition, as resource-trading companies sourced minerals from the DRC these minerals were transported through neighbouring countries, primarily Rwanda and Uganda (RAID, 2004: 35). Other companies provided transportation and logistical services that facilitated the movement of natural resources from the DRC through neighbouring countries to international markets. In the performance of these roles, MNCs formed relationships with other actors in the conflict, especially rebel groups, warlords and government forces. The Panel of Experts concluded that by engaging in these activities, MNCs directly or indirectly, deliberately or inadvertently sustained the DRC conflict.

Expectedly, both state and non-state actors named in the October 2002 Report took exception to and challenged the Panel's findings and recommendations. State actors lodged complaints with the UN; MNCs did the same with their home governments. Specifically, the Congo's neighbours denied and denounced the allegations, stressing that the allegations had the potential to undermine the peace process in the DRC. MNCs complained to their home governments, some of which rallied to the defence of the companies or shielded the companies from further scrutiny. One example stands out: Canadian companies indicted by the report lodged a complaint with their home government, requesting their names to be expunged from the report (Drohan, 2003: 322). Canada's Ambassador to the UN at the time – Paul Heinbecker – subsequently told the UN Security Council that although his government

[172] Interviews with officials in the *Ministère des Mines* [Ministry of Mines] (CN) [Kinshasa], 17 October 2010; (VD) [Kinshasa], 17 October 2010; (J-DK) [Lubumbashi], 27 October 2010; and E-interviews (via Skype^{TM}) with a consultant to the *Division des Mines* Nord-Kivu [Goma], 05 March 2011; with an official of the *Division des Mines* Sud-Kivu [Bukavu], 07 March 2011.

accepted the Panel's overall findings *the allegations against the companies were unfounded* and had "diverted attention from the other valuable findings of the report" (United Nations Security Council, 2002b: i. d.). Complaints and accusations of bias levelled against the UN Panel of Experts almost derailed the work of the Panel.

In order to address the concerns raised by the aggrieved (indicted) actors, the UN Security Council established a follow-up Panel to engage with state and non-state actors named in the October 2002 Report. Aggrieved parties made representations and submissions to the follow-up Panel with a view to disproving the allegations made against them and ultimately to clear their names. The follow-up Panel's October 2003 Report (S/2003/1027), an attachment to the October 2002 Report, indicated that some indicted actors had taken steps to address "the issues that led to their being listed in the October 2002 report" (United Nations Security Council, 2003: 9). The attachment also noted that each case pertaining to the involvement of actors in illicit activities in the DRC "had to be considered on its own merits" (United Nations Security Council, 2003: 9). In view of this, the October 2003 report categorised MNCs into five new categories based on the consultative review of their connections to the DRC conflict.

Category I comprised companies (and other actors) whose status was considered "***resolved***". MNCs that the Panel placed in this category attempted to "clear their names" by providing clarifications which led to the resolution of issues that had resulted in their indictment. Consequently, resolution led to their names being expunged from the list of those indicted by the October 2002 report.[173] The UN Panel noted that resolution was to "be seen in the context of a win-win outcome both for the parties involved and the Democratic Republic of

[173] See Annex I of the October 2003 report (S/2003/1027) for the list of companies in Category I.

the Congo, in terms of a reduction in the conditions or environment that have fostered the illegal exploitation of natural resources" (United Nations Security Council, 2003: 9). However, it cautioned

> that resolution should not be seen as invalidating the Panel's earlier findings with regard to the activities of those actors. Rather, it signifies that there are no current outstanding issues, the original issues that led to their being listed in the annexes have been worked out to the satisfaction of both the Panel and the companies and individuals concerned (United Nations Security Council, 2003: 9).

It is pertinent to make a brief comment on the Panel's position as stated above. Although MNCs in Category I had addressed the issues relating to their involvement in or connections to conflict in the DRC (for example, by ceasing to extract conflict minerals, fund rebels, or buy minerals from conflict zones), the companies could not be exonerated for actions that led to their indictment in the first place.

The Panel also placed in Category I companies that acknowledged that their behaviour in the DRC had been inappropriate and had "taken action to remedy" such behaviour or "given firm, time-bound commitments to do so" (United Nations Security Council, 2003: 10). In addition, Category I comprised companies (mainly resource-trading MNCs) that had ceased either operations in the DRC or transactions with parties in the country. Remarkably, the Panel also included in this category companies that had been operating in the DRC before the outbreak of the *Second Congo War*. The Panel was of the view that although the companies had been operating in rebel-controlled areas and evidently funded insurgencies, the companies made "positive contributions to their communities in providing goods and services, as well as jobs for local people. Specifically, the Panel was able to establish that they [ran] their businesses in a responsible manner and have not directly funded activities contributing to conflict" (United Nations Security Council, 2003: 10).[174] This conclusion by the UN Panel startled many Congolese.[175]

Category II comprised cases with "***provisional resolution***" status. MNCs in this category made commitments to the Panel to refrain from illegal activities in the DRC. The Panel included these companies in this category of "*provisional* resolution" as the companies promised to fulfil their "commitments on corporate governance … after the end of the Panel's mandate" (United Nations Security Council, 2003: 11). In order to monitor the companies' fulfilment of their commitments and compliance with corporate governance standards, the Panel referred the companies to the National Contact Points of OECD member states.[176]

The UN Panel of Experts placed cases "***referred for updating or further investigation***" in **Category III**. The Panel also referred companies in this category to the National Contact Points, as it could not achieve resolution with the companies. Lack of resolution resulted mainly from the companies' inability to resolve issues with the Panel and/or more remarkably, the companies' rejection of the Panel's contention that they needed to address issues relating to their activities in the DRC. For instance, "a company … refused to accept that it [had] a responsibility to do what it [could] to avoid providing support, even inadvertently, to rebel groups in conflict areas where it [operated or had business interests]"

[174] This observation by the UN Panel raises a fundamental question: how could activities normally expected of legally mandated companies serve as a justification for actions taken in the DRC by companies in question? The fact that they (MNCs) stole untold quantities of non-replenishable mineral resources, funded armies that killed and maimed thousands of civilians, destroyed properties and farmlands, and destroyed the future of individuals and communities did not seem to have mattered to the members of the Panel. Supposedly, that alone serves as a reason to doubt the veracity of the Panel members' report and/or recommendations. (I am grateful to my supervisor, Professor Ufo Uzodike, for this point.)

[175] The majority of participants in the three focus group discussions conducted with Congolese expatriates in three South African cities of Durban (07 July 2012), Johannesburg (02 June 2012) and Pretoria (09 June 2012) took strong exceptions to this conclusion by the Panel. They argued that the UN Panel would not have reached the same conclusion had it taken into cognisance the atrocities perpetrated by the rebel groups or insurgents and the (indirect) complicity of their economic collaborators, mainly MNCs.

[176] See Annex I of the October 2003 report for the list of MNCs.

(United Nations Security Council, 2003: 11). This category also comprised companies that apparently failed to uphold "their own self-imposed best practice principles" or code of ethics (United Nations Security Council, 2003: 11).[177]

Category IV comprised cases "***referred for further investigations***". The Panel asked the home governments of companies (and individuals) listed in this category to conduct investigations into the activities of these actors. The inability of the Panel to meet with companies during its proceedings necessitated this referral. Therefore, the resolution of the issues involving the companies was dependent on the political will of the home governments to engage with the companies over their activities or connections to the DRC conflict.[178]

Category V comprised "***parties that did not react to the Panel's report***". MNCs and other actors in this category neither sent reactions to nor contacted the Panel, exercising their right not to reply to the findings in the October 2002 report.[179]

It is pertinent to note that the reports of the UN Panel of Experts were significant in the context of mapping, exposing, and addressing the corporate connections to the conflict in the DRC. However, critics have raised issues regarding the methodological shortcomings of the reports, especially the October 2002 report. For example, parties implicated in illegal activities in the DRC and therefore named in the reports could not confront those who gave evidence to the Panel, as the Panel was bound by the principle of confidentiality. In addition, the October 2002 report highlighted a drawback in the Panel's work: the non-adherence to the legal principle of *audi alteram partem*, which presupposes that MNCs and other parties

[177] Eighteen companies were listed in Category III. See Annex I of the October 2003 report.
[178] Category IV comprised companies from Canada, Germany, South Africa and the UK. See Annex I of the October 2003 report.
[179] See Annex I of the October 2003 report for the list of the companies and other actors in Category V.

implicated ought to have had an opportunity to examine and respond to the allegations before the publication of the report.

Furthermore, there were suggestions that at the behest of the French government, the Panel refrained from investigating the involvement of the Congolese government in illegal activities (Samset, 2002: 86). Although the justification for excluding the Congolese government was apparently premised on its status as the internationally recognised legitimate authority over the DRC and its resources, excluding the government ignored the fact that even legitimate structures (that is, duly constituted organs and agencies of the state) are capable of illicit actions and activities that could exacerbate conflicts. Crucially, there were allegations that the Panel's initial report contained the names of American companies and officials, but it was edited to remove suggestions or evidence of connections of the United States (possibly high ranking officials in previous administrations) to illegal activities in the DRC (Grignon, 2006: 87).

Despite these shortcomings, it cannot be gainsaid that the reports of the UN Panel of Experts marked an important step in accentuating – for requisite international attention – the connections between business and the cycle of violent conflict in the DRC. Between 1998 and 2003 (and beyond, especially in eastern DRC as noted earlier), profiteering networks contributed directly and inadvertently to the exacerbation of conflict in the DRC. The creation of the UN Panel of Experts was a pivotal response and a decisive intervention in the DRC crisis by the foremost intergovernmental organisation in the international system.

As noted above, the UN Panel's reports engendered a motley of responses from various actors – governments, MNCs, and local and international NGOs. The reports also gave significant fillip to local and international advocacy efforts aimed at breaking the connections between minerals and conflicts in the DRC. For instance, while Congolese civil society actors had striven to raise awareness about the deadly connections between business and conflict in the country, their efforts did not resonate strongly in the international community until the publication of the reports by the Panel.[180] In addition, the Panel's reports provided impetus to advocacy by international non-state actors such as Enough Project, Global Witness, Oxfam and Rights and Accountability in Development.[181] These international NGOs used the Panel's findings as bases to exert pressure on MNCs to desist from illegal activities in the DRC or to refrain from buying conflict minerals from the country. Simultaneously, these organisations brought pressure to bear on MNCs' home governments to investigate the activities of companies in the DRC. In sum, the reports of the UN Panel of Experts provided the stimulus for both local and international advocacy against illicit activities by MNCs and other actors in the DRC.

A striking effect of the reports is that of engineering a shift in corporate behaviour. It is worth noting that some MNCs discontinued illegal activities in the DRC due to the work of the Panel.[182] Other MNCs expressed commitments to ensure best practices in their mining

[180] Interviews with a member of the Executive Committee of the *Association africaine de défense des Droits de l'Homme* (ASADHO) [African Association for the Defence of Human Rights] (KM) [Kinshasa], 29 October 2010; with a staff of the *Commission Episcopale Justice et Paix* (CEJP) [Episcopal Commission for Justice and Peace] (CH) [Kinshasa], 29 October 2010; with a legal practitioner and human rights activist (GNM) [Kinshasa], 29 October 2010.

[181] This point came to the fore during a focus group discussion with Congolese expatriates in Pretoria, South Africa, 09 June 2012.

[182] A caveat applies to this view, expressed by participants in the focus group discussion with Congolese expatriates in Johannesburg, South Africa, 02 June 2012. It should be noted that while some resource-trading companies terminated their business dealings, others became more "discreet" in their transactions with the *comptoirs*, or changed *comptoirs* in order to conceal the source(s) of the minerals and to avoid further scrutiny and consequent international opprobrium. A number of interviewees confirmed this point. They also stressed that while the Panel's reports may have contributed to halting some illegal activities, the general insecurity in eastern DRC provided an ambience that was conducive to illicit exploitation of, and trafficking in, natural resources. (Interviews with an ex-director in the national mining company, Gecamines (SNT) [Lubumbashi], 28 October 2010; with a supervisor in a mineral trading house (EK) [Lubumbashi], 28 October 2010; E-interviews (via Skype™) with human rights activist (J-BT) [Goma], 01 March 2011; with a former student/youth leader (FLN) [Bukavu], 06 March 2011).

operations and supply chain processes. In addition, the Panel's findings have been important sources of information for National Contact Points of OECD member states in their engagements with MNCs referred to in the reports.

At least two important deductions can be made from the analysis of the Panel's work. On one hand, the reports of the UN Panel of Experts highlighted the 'dark side' of the corporate-conflict nexus. On the other hand and at the practical level, the Panel's work offered an important lesson in terms of the modest beneficial outcomes that may result from investigations into the connections of business, natural resources and conflict.

Although the reports of the Panel exposed the complicity of MNCs in the DRC conflict, there is some evidence that corporate actions in the country have not been entirely deleterious. Some resource-extracting companies in the DRC have undertaken extensive public relations initiatives to highlight their social responsibility projects, which, as one interviewee implied, were emblematic of "good" corporate behaviour.[183] However, a question may be raised as to how any company can show truly "good" behaviour in a place like the warn-torn DRC where even the government had something to answer for and where resources in the hands of the government also served to fuel conflicts. Certainly, there are serious contestations around the issue of CSR (as discussed in Chapter Three), not least in volatile political environments. Although there are instances of good corporate behaviour in the form of social responsibility in the DRC, they are controversial and are highly distrusted by many Congolese.[184] In the context of this study, however, such company initiatives – juxtaposed with the evidence from

[183] Interview with a Professor of Corporate Law (YN) [Kinshasa], 07 October 2010.
[184] The vast majority of participants in focus group discussions conducted in Durban, South Africa (07 July 2012) and Pretoria, South Africa (09 June 2012) denounced CSR projects by MNCs in the DRC as "publicity stunts" or a "sham".

the UN Panel's reports – serve to illustrate the ambivalence of corporate behaviour. In line with this point, the next section presents some CSR activities by MNCs in the DRC.

6.4 "Good" behaviour in a "bad" environment? Multinational corporations and corporate social responsibility in the DRC

This section commences with an anecdote from the DRC. During fieldwork in the country, the researcher broached the subject of CSR during interviews and informal discussions with Congolese. As a prelude to asking participants to identify specific CSR activities by MNCs, the researcher posed a question on the roles of companies in the DRC's public sphere, which required a general response regarding MNCs and CSR in the country. However, a common response to the question took the form of another question: "CS what?" Some Congolese jokingly remarked that as far as the DRC is concerned, the term did not exist in the corporate governance lexicon. Aside from this lighter note, it emerged during fieldwork that the majority of the study participants were oblivious of CSR activities by MNCs. A few participants who supposedly had an idea of CSR summarily dismissed such activities by MNCs as a façade, or as smokescreens that corporate actors used to conceal their economic crimes against the country and its people. (The researcher had to resist the temptation to highlight sparse evidence on CSR activities by MNCs as this might nudge participants towards shifting their positions.) An important deduction can be made from this anecdote. In a conflict-prone environment such as the DRC where "corporate actions have been associated primarily with criminality",[185] good business practice in the form of social investment may go unnoticed, or may be perceived as duplicitous. Therefore, it is not surprising that the majority of the study participants were unable to identify any CSR activities by MNCs.

[185] Interview with a Professor of Law (MM) [Kinshasa], 29 October 2010.

However, there is a modicum of evidence of "good" corporate behaviour in this conflict-ridden ("bad") environment. Before presenting the very few cases of CSR activities by MNCs in the DRC, it is important to state at the outset that most of the companies with connections to the DRC are resource-trading MNCs or mineral buyers; only a few are involved in direct mining operations. Since resource-trading MNCs do not have direct presence in the country, there is no evidence or record of CSR activities by these companies.[186] Therefore, only MNCs involved in natural resource exploration and extraction have carried out CSR functions. Furthermore, two companies readily stand out as far as the implementation of CSR activities is concerned. These are Anglo-American PLC and Banro Corporation. Their CSR initiatives are presented below.

Anglo-American PLC

As of 2013, Anglo-American PLC was still conducting exploration activities in the DRC; it did not operate any mines in the country at that time. However, through the Anglo-American Group Foundation, the company has been providing critical social services in partnership with international NGOs. The social services have been targeted specifically to assist the most vulnerable groups in society, especially children and women, who have been affected the most by the cycle of conflict and sexual violence especially during and after the *Second Congo War*. The DRC's health sector is a critical area of intervention for Anglo-American PLC. In this sector, the company has chosen maternal health care sub-sector as its primary focus for its CSR engagement. Anglo-American PLC has predicated its intervention in the maternal health care sub-sector on the observation that in the DRC,

> the maternal mortality rate is estimated at 549 deaths for every 100,000 live births. This means that 15,000 mothers are dying

[186] Interestingly during fieldwork in the DRC, my research assistant in Lubumbashi described as "wild goose chase" my tenacious efforts at finding first-hand any CSR activities by foreign companies in the country. His words to me suggested a fatalistic view regarding the remotest possibility of CSR initiatives by MNCs: "I told you that you won't find any; they do not exist; stop chasing after the wind."

> every year during pregnancy, delivery or after delivery (which equates to almost two women per hour), and places the DRC amongst six countries accountable for about 50% of global maternal mortality. In addition, under-five mortality is increasingly concentrated: 50% of deaths occur in only five countries, of which the DRC is one. The overall risk of mortality in the DRC for children under five is 148 out of 1,000 live births, or roughly one-in-seven (Anglo-American, 2013b: i. d.).

In view of the magnitude of this problem in the DRC, Anglo-American – in partnership with other actors – has focused on improving the conditions that should make it easier for women to access health care services. For example, the company has "been working in partnership with World Vision and local government to help tackle the pressing issue of maternal and infant mortality rates in the DRC" (Anglo-American, 2013b: i. d.). In 2013, the company and World Vision (an international NGO) refurbished a health care centre in Kinshasa "in an effort to improve conditions for pregnant women and their babies" (Anglo-American, 2013b: i. d.). Specifically, the refurbishment of the Kitokimosi health centre "included structural repairs to the roof, ceilings, doors and the laboratory; the installation of water tanks to capture rain water; and the provisioning of hospital beds and medical equipment" (Anglo-American, 2013b: i. d.).[187] The health centre provides critical maternal health care services such as pre-natal, child delivery and post-natal care.

Anglo-American PLC considers the refurbishment of the Kitokimosi health centre as a decisive and socially beneficial intervention, as the facility is "situated in the Selembao district of Kinshasa – one of the poorest areas in the capital" (Anglo-American, 2013b: i. d.). The company's Head of Representation in its DRC office, Thierry Viengele, remarked following the inauguration of the health centre: "[it] was deeply touching to experience the genuine gratitude of the clinic staff, the patients, the governor of Selembao, and the

[187] See Appendix 10 for the photograph of the refurbished Kitokimosi health centre.

provincial health minister. We intend to remain involved with the health centre and to work closely with them to further support their needs" (Anglo-American, 2013b: i. d.). Anglo-American PLC's Chief Executive Officer responsible for overseeing the copper business, John MacKenzie, noted that the refurbishment and inauguration of the health centre

> will make a massive difference to the lives of the people who live in Selembao, and I have no doubt will be responsible for saving the lives of many mothers and children. During my visit to the health clinic last year I was particularly shocked by the lack of running water, and the impact that caused on the ability of the doctors and nurses to maintain sanitary conditions – it is really pleasing to see that this too has been addressed (Anglo-American, 2013b: i. d.).

The company believes that, in this instance, its CSR activity "will go towards improving overall care for patients and making a real and positive difference" (Anglo-American, 2013b: i. d.). Anglo-American concludes that although it does not operate a mine in the DRC, "the refurbishment of the Kitokimosi health centre demonstrates our long-term commitment to the country and our desire to collaborate with local government and communities to become the partner of choice" (Anglo-American, 2013b: i. d.). From the company's perspective, this intervention in the health sector foreshadows increased social investment in the DRC when the company commences resource extraction.

Banro Corporation

As noted earlier, Banro Corporation's investment in the DRC has been focused primarily on gold mining in the provinces of South Kivu and Maniema. The company has extensive gold mining operations in these areas. Banro Corporation has also undertaken extensive CSR activities in its mining zones. According to the company, its

> commitment to corporate social responsibility has many facets, including the building of positive and supportive relations with local communities, the creation of capacity-building jobs for Congolese citizens, environmental protection, workplace safety, the purchase of goods and services locally and the Banro

> Foundation, which promotes local social and economic development (Banro Corporation, 2013a: i. d).

In demonstration of the company's commitment to CSR, it has created an agency to execute the projects in the core CSR areas. Banro Corporation has implemented its CSR projects under the auspices of the Banro Foundation, "a registered Congolese charity funded primarily by the company" (Banro Corporation, 2012: i. d.). The Foundation was established in 2005. It is based in Bukavu, South Kivu Province. The Banro Foundation has the "mandate to improve the lives of thousands of people living in South Kivu and Maniema provinces through strategic investments in education, health and infrastructure development and to provide humanitarian assistance as needed" (Banro Corporation, 2012: i. d.). Banro Corporation's 2013 Sustainability Report, entitled "Investing in Capacity-Building Jobs and Community Development", presents the company's "contributions to regional economic development in the eastern [DRC]" (Banro Corporation, 2013b: i. d.). It should be noted, however, that beyond the positive rhetoric, there are no indications of the monetary figures actually involved in the CSR activities. The report highlights the company's CSR projects in these categories[188]:

Job creation[189]: "Since November 2004, Banro has invested US$492 million in South Kivu and Maniema provinces, creating jobs and business opportunities for tens of thousands of local people, [and] generating taxes…" (Banro Corporation, 2013b: i. d.). According to the company, it "employs over 1,000 Congolese in technical, professional, management or supervisory jobs that build real capacity; another 3,000 Congolese are employed through contractors. This direct employment generates an additional 20,000 + jobs indirectly in the

[188] Appendix 11 contains photographs depicting Banro Corporation's CSR projects in these categories.
[189] Although Banro Corporation identifies job creation as one of its CSR activities, it can be argued that jobs created through its investments in the DRC are normal for any business. Thus, how job creation is truly a CSR credit *per se* is disputable.

larger economy with a multiplier effect that helps to support around 200,000 local people" (Banro Corporation, 2013a: i. d.). The company has also constructed market places (consisting of stalls) to facilitate "the commercial exchange of goods" (Banro Corporation, 2013a: i. d.), signalling contributions to (stimulating) the informal economy.

Infrastructure provision: Part of the US$492 million that the company has invested since November 2004 has been spent on "adding new public facilities and infrastructure" (Banro Corporation, 2013b: i. d.). The company's report shows that it has been "making a substantial contribution to social infrastructure, including the upgrading and construction of over 500 kilometres of roads, plus … housing, health care facilities, potable water systems and more" (Banro Corporation, 2013b: i. d.). Cognisant of the DRC's infrastructural deficiencies and challenges, Banro Corporation (2013a: i. d.) notes: "[g]ood roads and bridges are critical to the economic and social development of local communities". In view of this realisation, the Banro Foundation has given priority attention to road construction and rehabilitation (Wells, 2011: i. d.), especially in and around Bukavu. In June 2012, "the Kama Bridge in Namoya, one of the most ambitious of the social infrastructure projects undertaken by the Banro Foundation, was officially inaugurated by the Governor of Maniema Province" (Banro Corporation, 2013a: i. d).[190]

Furthermore, Banro Corporation has built potable water systems in Bukavu as part of its infrastructure provision. It has built 50 water stations in the area, as at 2012. It has also installed solar panels "to power public lighting for night use" of the water systems (Banro

[190] A caveat is necessary here: the infrastructure projects are located in the company's areas of operations and, as such, they are linked to the need to facilitate mining activities as well as to improve the company's ability to transport its products effectively to market destinations. Therefore, it can be argued that the contribution of such projects to the economic and social development of local communities is coincidental. Beyond this, there is an issue regarding the reliability of the figures the company is using, which government officials could not verify when this researcher conducted fieldwork in the DRC.

Corporation, 2013a: i. d). In relation to infrastructure provision, the Banro Foundation – since 2005 – has implemented "60 social development projects, representing a total investment of $4 million" (Banro Corporation, 2013a: i. d).[191]

Education, vocational training and skills development: "Education is the top priority for the Banro Foundation" (Banro Corporation, 2013b: i. d.). The Foundation has "constructed 10 new schools and rehabilitated two more schools, serving a total of 4,000 students in South Kivu and Maniema provinces" (Banro Corporation, 2013b: i. d.). All the schools "have also been outfitted with desks and furniture. This has been complemented by initiatives to increase school enrollment by girls, retain teachers, rescue and educate former child artisanal miners, and introduce community literacy programs" (Banro Corporation, 2013b: i. d.). In 2012, the company introduced the "teacher tuition" programme, "which pays a basic salary to all teachers employed in schools built by the Banro Foundation" (Banro Corporation 2012: i. d.). In addition, Banro Corporation is collaborating with the Bukavu Official University to build "the industrial skills base of Congolese through vocational training and skills development in the workplace; strengthening of university faculties in relevant disciplines; and scholarships for high potential students" (Banro Corporation, 2013b: i. d.).

In the sphere of adult education, the Foundation in 2011 constructed a women's centre in Lugushwa community to provide "literacy training and livelihood skills such as sewing" (Banro Corporation 2012: i. d.). The Makalanga Women's Centre, another centre built in 2011, offers "courses in basic literacy, sewing, bread making, soap making and hair dressing" (Banro Corporation, 2013a: i. d.).

[191] This figure is perhaps illustrative of the minimal nature of CSR investments in a highly needy environment. One may ask: how are 60 projects totalling four million dollars over several years truly wonderful for a company with such extensive mining rights? (See section 6.2 for the description of the company's profile).

Moreover, the Banro Foundation, in collaboration with Congolese NGOs, is coordinating a number of programmes "to provide training in such skills as carpentry, masonry, motor mechanics, agriculture and tailoring to former artisanal miners at Twangiza", one of the company's mining zones (Banro Corporation, 2013a: i. d.). Besides, the Foundation has instituted a three-year programme, "including psychological counseling, designed to reintegrate 100 former child artisanal miners into the educational system; an additional 100 older children have elected to enroll in a variety of livelihood skills training programs geared to their age group" (Banro Corporation, 2013a: i. d.). This initiative by the company created "what by all appearances is a welcoming educational environment" (Wells, 2011: i. d.) for former child artisanal miners.

Health care: The health sector has been a major beneficiary of Banro Corporation's CSR initiatives. A few of the company's interventions in the health sector are worth noting here. In August 2012, the Banro Foundation inaugurated a US$100,000 multipurpose women's health centre at the Panzi General Hospital in Bukavu. The women's health centre was built "to support prenatal consultation, family planning and HIV sensitization, child health and other activities related to women's health" (Banro Corporation, 2013a: i. d.). Banro Corporation (2013a: i. d.) reports that the "Panzi Hospital has earned a global reputation in the field of medical care for women, including women who have been victims of sexual violence." The hospital treats "3,500 women each year, free of charge" (Gillespie, 2013: i. d.).

In a related earlier intervention, the Banro Foundation – in collaboration with international NGOs – twice (in 2009 and 2010) organised the shipment of medical equipment from Canada to the DRC. The medical supplies were distributed to clinics and hospitals in the Maniema and South Kivu provinces (Banro Corporation, 2013a: i. d.; The African Business Journal, 2013: i. d.). In September 2012, the Banro Foundation organised a fundraising event in Toronto, Canada towards the "construction of a new $165,000 hospital in the town of Salambila, Maniema Province" (Banro Corporation, 2013a: i. d.). According to Banro Corporation (2013a: i. d.), the event "received outstanding financial support from Canadian and international companies active in the mining industry" in the DRC. However, the company's claim that the event "received outstanding financial support" seems dubious, given that $112,000 was raised at the event (Gillespie, 2013: i. d.).[192]

Sports: Banro Corporation, through its Foundation, has also been active in promoting sports (especially among the youth) in communities in which it has been operating. In December 2012, for example, the Foundation inaugurated a new basketball court in the Bagira community in Bukavu. This was the "third basketball court built by the Foundation" in the city of Bukavu. The Foundation also presented new basketball kits to the youth of the community. The construction of basketball courts has been a cardinal sports development initiative by the company (Wells, 2011: i. d.). The popularity of basketball in the DRC has underpinned this aspect of the company's CSR engagement in its areas of operations (Banro Corporation, 2013a: i. d.).

Humanitarian assistance: Banro Corporation has – as needed – provided humanitarian assistance to those displaced by conflict in its areas of operations. For example, in December 2009, the company delivered humanitarian aid to displaced persons near the city of Uvira. The relief items included "blankets, clothes and food" (Banro Corporation, 2013a: i. d.). In December 2012, the Banro Foundation offered humanitarian assistance to people displaced

[192] It is surprising that the various companies involved struggled with, and were unable to raise, the full amount in question.

from Goma and adjoining areas of North Kivu province following the conflict involving the M23 rebel group. The "Foundation delivered 24 tons of food and non-food aid to the Bulengo refugee camp. At the time, the camp, located about 10 kilometres from Goma's city centre, was providing shelter for 15,000 individuals. This represented the first delivery of food aid to the refugee camp by any NGO" (Banro Corporation, 2013a: i. d.).

Apparently, Banro Corporation's CSR profile in the conflict-ridden provinces of the DRC depicts the range of possibilities of corporate peacebuilding. Moreover, the company's interventions in various sectors show that CSR activities need not be static, but should respond creatively to the needs of communities, especially those plagued by violent conflicts and its associated effects. Banro Corporation's CSR programmes appears to illustrate this point.

That said, there is no doubt that Banro has a very good public relations department, and that it has invested a good amount of energy in identifying relevant CSR issues and public relations-friendly targets. The company seems to have even used investments aimed at its bottomline to weave stories of its CSR efforts. Otherwise, minimal investments in key areas are used to make major claims of serious corporate responsibility. It is difficult to ascertain how measurably better off communities in Banro Corporation's areas of operation are compared with non-conflict areas in the DRC. It is also possible that the company's CSR activities (to the extent that they exist and robustly) are aimed at mitigating potentially damaging criticisms about its role in conflicts in the DRC or at maintaining its operations in the country.

In line with these observations, the company's CSR engagement has attracted a number of criticisms.[193] For instance, Banro Corporation's job creation profile has been criticised from three angles. One, "83% of employees are Congolese citizens, which means almost 20% are migrants." Two, of the company's "workforce of over 1,000, only 53 are women." Three, "[m]any specialist skills are imported" (ResolutionPossible, 2013: i. d.). Another criticism pertains to the company's infrastructure provision and rehabilitation efforts:

> Banro has built many roads and bridges built, which have certainly linked communities that were previously disconnected and separated by a five day bicycle ride. However, these constructions are fundamental to the very functioning of the mine (for example, transportation of minerals), rather than a proactive attempt at providing for the community (ResolutionPossible, 2013: i. d.).

In addition, it is argued that Banro Corporation's other "CSR programmes do not reach the most vulnerable members of the population (women and children)" even as its large-scale mining operations have failed to "alleviate problems associated with Artisanal and Small-scale Mining (ASM)" (ResolutionPossible, 2013: i. d.). That said, these criticisms speak to the shortcomings that have been typically associated with MNCs' operations in host environments.

Despite the criticisms against Banro Corporation's CSR initiatives, the company has received local and international accolades "for its contributions to social development in the DRC", especially for its "contributions to community development" and its "active support of the DRC's "five pillars" for social and economic reconstruction" (Banro Corporation, 2013a: i. d.).[194] An international assessment depicted Banro Corporation as a model company with "a

[193] It is pertinent to note that these criticisms are not peculiar to Banro Corporation. They are levelled against almost all resource-extracting MNCs in the LDCs.
[194] The DRC's "five pillars" (French: *cinq chantiers*) for social and economic reconstruction are education, health, infrastructure, water/electricity, and job creation. The government of Joseph Kabila has designated these as key priority areas (Interview with a staff in the Presidency (VDC) [Kinshasa], 17 October 2010).

community development program that would put many majors to shame, let alone other juniors" (Chadwick, 2007: i. d.).

Finally, Banro Corporation's CSR profile in eastern DRC suggests that "good" business practice (that is, responsible corporate behaviour) is possible even in a "bad" (volatile or conflict-prone) environment. Yet, it is equally trite to argue that CSR initiatives may not mitigate or undo the damage that illicit corporate actions inflict on people and the environment. In other words, the effects of illicit corporate behaviour may produce far-reaching consequences that even the best-intentioned and sustained CSR intervention may not reverse.[195] In view of this, an interviewee – using the analogy of "a good student in an unruly class" – argued that CSR should not be motivated by "corporate guilt" but should emanate from a company's conviction to "do the right thing" even if the environment is "thoroughly compromised" or saturated with "bad behaviour".[196] Besides, MNCs and their stakeholders should not construe CSR initiatives, especially those undertaken in conflict zones, as attempts to "right the wrongs" relating to corporate complicity.[197]

The "business case" for CSR implies that MNCs are capable of "good" behaviour, even in a "bad" environment. In some cases, corporate actions in conflict zones may include a transformative potential, such as resettlement, reintegration and capacity building programmes for former combatants (including child soldiers), IDPs and refugees. Based on

[195] Some participants in the focus group discussion conducted in Durban South Africa (07 July 2012) expressed this view. In an attempt to illustrate this point, they suggested a juxtaposition of all CSR initiatives with all losses (human, material and mineral) that the DRC had incurred because of corporate complicity in the DRC's conflicts. For some participants, no amount of social investment or CSR projects by MNCs could compensate for the decimation of the population and social dislocation that have been associated with conflicts in which MNCs have been implicated.
[196] Interview with a Professor of Corporate Law (YN) [Kinshasa], 07 October 2010.
[197] Interview with a Professor of Corporate Law (YN) [Kinshasa], 07 October 2010.

this understanding, the provision of humanitarian assistance by corporate actors takes CSR to another (arguably, a higher) level.

Overall, the implementation of CSR projects in the DRC remains a controversial subject at both corporate governance and community levels. On one hand, critics claim that corporate activities are designed to salvage the consciences and claims to humanity of the MNC leaderships or to earn cheap public relations points.[198] On the other hand, corporate actors contend that social investment and humanitarian activities by MNCs are geared towards transformative involvement in the daily lives of the members of host communities.[199] In the DRC (as is the case in most countries), CSR issues are headaches that companies must deal with in contemporary times and they invest heavily in public relations to convince anybody that cares to listen that they care and are involved in humanitarian and/or social activities. As the case of the DRC shows, companies will generally invest as little as they believe is necessary (while claiming generosity) to ensure positive or continued support and approval of members of local, national and international communities.

In the context of this study, this CSR activity (that is, humanitarian assistance) is preeminent. It is a key element of corporate peacebuilding or conflict transformation. Natural disasters and violent conflicts necessitate humanitarian assistance, which is different from conventional CSR activities such as the provision of basic services. Humanitarian assistance goes beyond the provision social services. It aims at assisting those affected by violent conflicts to cope with, or adjust to, conflicts or tragedies through material and psychological support. It is worth noting that in a conflict situation, the provision of humanitarian

[198] This conclusion is drawn from opinions expressed by the study participants during the focus group discussions.
[199] Based on the views of Anglo-American PLC and Banro Corporation with reference to the impact of their CSR activities.

assistance may expose a corporate actor to risk, including attacks from armed groups that might construe such corporate intervention as an attempt to undermine the impact of their military offensive.

As this study has highlighted, corporate behaviour in conflict zones is characterised by ambivalence. In other words, corporate actions may contribute to the onset of conflict and conflict perpetuation or they may facilitate peacebuilding. As the next section shows, contextual factors (namely the local, national and international environments in which MNCs operate) underpin specific corporate actions in particular and corporate behaviour in general. This idea, which informs this study's hypothesis, is explored with specific reference to corporate behaviour in the DRC.

6.5 The local, national and international contexts of corporate behaviour in the DRC

A number of factors – internal and external to the corporation – shape corporate behaviour. Some of the internal factors that underpin a company's behaviour include ownership and control (that is, the influence of shareholders and directors), the firm's mission and vision, its core values (all of which constitute its corporate culture), and human and material resources. External factors that determine a corporation's behaviour include the company's stakeholders[200], its competitors, regulatory frameworks, and the broader local and national environments within which it operates. For MNCs, the international environment also matters, given MNCs' transnational character and operations.

Generally, the operational environment of MNCs consists of three spheres: local, national and international. It is necessary to clarify this study's conceptions of these spheres. The local

[200] See section 4.4.3 in Chapter Four for the discussion of the notion of "stakeholders".

environment refers to the community in which the business/investment (such as a mine or in the case of an oil MNC, an oil installation – for example, an oil rig or refinery) is located. In line with this conception, resource-bearing communities constitute the local environment of MNCs. The local environment is at the core of these concentric spheres of MNCs operations.

The national environment, simply put, refers to an MNC's host country. However, it is necessary to elucidate this. The national environment comprises an assortment of variables within the MNC's host country. At this level, key factors include the type of government, state structures and agencies, the MNC's industry/sector, the corporate governance framework (either contractarian or communitarian[201]), national legislation (for example, the Companies Act), and the influence of civil society (mainly national NGOs).

The international environment encapsulates factors such as the MNC's home country and government (and crucially, the relationship between the home and host governments), the international market for the MNC's products/services, international regulatory mechanisms/regimes, and international NGOs. In a conflict situation, the international environment of an MNC encompasses other state actors such as intervening/neighbouring countries, and regional and/or international governmental organisations. This study explores how these three levels of analysis – and how the interactive clusters of actors at these levels – furnish insights into corporate behaviour, which may underpin conflict perpetuation or facilitate conflict transformation/peacebuilding.

Across the three spheres, several actors (or stakeholders) and conditions interact to influence corporate behaviour. In conflict situations, MNCs are exposed to variables that are often

[201] See Chapter Four.

non-existent under normal operational conditions. For instance, the activities of armed groups, military combat, general insecurity, humanitarian crises/complex emergencies, and the activities of local and international advocacy groups exert pressure on MNCs that invest or operate in conflict zones. These factors combine with MNC-specific variables to shape corporate behaviour in fundamental ways. In such instances, MNCs may choose to exit or remain in conflict zones. Where the decision is to remain in conflict zones, MNCs may "do-no-harm", become complicit in conflict, or facilitate peacebuilding. Against this backdrop, this section focuses on the macro-level factors in the local and national environments, as well as the international context, of corporate behaviour in the DRC. The three levels of analysis are discussed below.

The local context in which MNCs operate in the DRC has been characterised by insecurity. The First and Second Congo Wars affected resource-bearing communities the most. Some of the most deadly hostilities took place in and around resource-bearing communities in the resource-rich provinces of Maniema, North Kivu and South Kivu. More often than not, armed groups waged battles in order to access or control mining zones. Once an armed group achieved a decisive military victory, it instituted a new code of operations to regulate mining activities, commercial transactions and taxation.[202] This practice was prevalent before and during both Wars as well as the subsequent conflicts in eastern DRC. For instance, the AFDL captured a number of mineral sites at different stages of its rebellion against Mobutu Sese Seko. In those instances, companies had to defer to the rules made by the "new" powers, which often included renegotiation of mining concessions and payment of "taxes" to

[202] Interviews with a former minister in Mobutu Sese Seko's government [Kinshasa], 06 October 2010; with a consultant to the *Ministère des Mines* [Ministry of Mines] (FD) [Kinshasa], 30 October 2010.

the rebel group.[203] During the *Second Congo War*, the areas controlled by the armies of Rwanda and Uganda as well as their proxies had similar arrangements.

Given the imperative of profit maximisation for MNCs and the crucial need to protect their investment/operations, some MNCs undertook to comply with the arrangements instituted by forces that controlled resource-bearing communities. (Re)negotiation of mining concessions with rebel groups/militias or paying taxes to them directly and indirectly contributed to the economic arsenal that was crucial to sustaining conflicts. General insecurity (especially the presence and activities of grassroots militias) in the resource-bearing communities compelled MNCs to adopt and rely on "unorthodox" means to protect their investment.[204] The problem, however, was that such means contributed significantly to fuelling conflicts. Hence, MNCs' connections to conflict perpetuation. In this regard, the local context underpinned MNCs' actions that typified corporate complicity.

Still on the local context, the lootability of natural resources located in the resource-bearing communities contributed significantly to artisanal and small scale mining (ASM). In addition, the majority of people in resource-bearing communities considered mining as "a ticket out of poverty and unemployment" and, as such, took to ASM.[205] Thriving ASM business provided impetus to the mineral trade, resulting in the emergence of several *comptoirs* (mineral traders or trading houses). Resource-trading MNCs thus had ample mineral supply sources in the DRC. The problem, however, was that the minerals were being obtained from conflict zones; thus, connecting resource-trading corporations to the DRC conflict. Therefore, local conditions (in other words, the base or origin of the supply chain)

[203] Interviews with a consultant to the *Ministère des Mines* [Ministry of Mines] (FD) [Kinshasa], 30 October 2010; with a director in the *Ministère du Plan* [Ministry of Planning] (CMA) [Lubumbashi], 26 October 2010.
[204] Interview with a Professor of Economics (EL) [Kinshasa], 29 October 2010.
[205] Interview with a geologist (VN) [Lubumbashi], 26 October 2010.

influenced the behaviour of MNCs based elsewhere (even thousands of kilometres away from the DRC). Local factors such as the availability of lootable resources, ASM and the activities of *comptoirs* obviated the need for direct presence (or investment) by resource-trading MNCs, but these factors linked the corporate actors to conflict in the DRC. Again, the local context is germane to understanding the complicity of MNCs in the DRC conflict.

The local context is equally useful in unpacking the CSR initiatives discussed in the preceding section. CSR projects by Anglo-American PLC and Banro Corporation illustrate that local conditions determine the necessity and the forms of interventions that typify corporate peacebuilding. For instance, there has been relative peace in some of the mining areas since the end of the *Second Congo War*. This has enabled Banro Corporation to implement a number of CSR projects. (These projects could not have been implemented in situations of conflict and insecurity.) Severe infrastructure deficiency, unemployment, high levels of illiteracy, lack of health care services and humanitarian crises plague local communities in the DRC. Accordingly, CSR projects have been designed to respond to these challenges. The point here is that local conditions typically determine the form that CSR engagement takes.

In sum, the local context offers specific insights into aspects of MNCs' activities in the public sphere, especially in conflict zones. In the DRC, local context shaped corporate activities that contributed to conflict and those geared towards positive transformative change. Therefore, the local context is germane to understanding and unpacking corporate behaviour, which may illustrate corporate complicity or exemplify corporate peacebuilding.

Conditions in the host country (that is, the national environment) also played a key role in shaping corporate behaviour during and after the two wars in the DRC. A cardinal factor was the absence of state authority, which created a vacuum that other non-state actors filled.[206] Non-state actors such as rebel groups and militias took control of resource-rich areas and thus became *de-facto* governors. The absence of state authority meant that MNCs had to operate in accordance with the rules prescribed by the "governors" in mining zones. As noted earlier, such rules were often at variance with good business practice. Lack of state authority presupposed that companies could not count on the government to protect their investment. Defying the "governors" who controlled mining areas could have resulted in the revocation of mining concessions or denial of access to minerals.

Closely related to this point is the problem of a weak national army, which has been unable to protect the territorial integrity of the state or maintain peace. The national army, most notably towards the end of Mobutu Sese Seko's rule, had been disoriented and since then has remained poorly paid and demotivated. Given such low morale, the army could not stem the tide of illegal activities, including illicit exploitation and trafficking of minerals. In some instances, members of the armed forces (sometimes, high ranking officers) joined in the looting and trafficking of minerals.[207] Therefore, rather than serve as a bulwark against illegality, the condition of the national army allowed and even aided it. In view of this scenario, MNCs and other actors (including the armies of invading countries, rebel groups, and mineral merchants) were able to trade in conflict minerals, thus contributing to conflict perpetuation.

---

[206] Interview with a Professor of Political Science [Kinshasa], 29 October 2010.
[207] Interviews with a youth leader (RU) [Lubumbashi], 27 October 2010; with a military analyst [Kinshasa], 04 November 2010; and E-interview (via Skype™) with a staff of Radio Okapi [Goma], 08 March 2011.

State incapacity also reflected (initially) in the inability to develop a feasible mining code and (subsequently) to implement it after its revision. The mining code aimed at regulating all mining activities – commercial and artisanal – in the DRC. However, the revision and implementation of the code were fraught with controversies and bickering by different actors – politicians, resource-bearing regions, and MNCs – seeking to protect their interests.[208] As the controversies lingered, there was no substantive statutory instrument to regulate resource-extracting companies, *comptoirs*, and artisanal miners.

In addition, there were no national benchmarks or yardsticks for determining best practice and (in)appropriate behaviour by actors in the mining sector. Corruption and poor/weak enforcement of mining contracts have also contributed to the sustenance of illegal activities in the mining sector. For instance, it is not uncommon for a prospective *comptoir* to offer a bribe to be registered or for a government official to ignore an illicit action by a *comptoir*.[209] An interviewee likened the situation in the mining sector to a "free for all" or "a jungle" in which each actor was guided solely by self-interest,[210] the actualisation of which often influenced the ebbs and flows of conflicts.

The absence of state authority and a weak national army contributed to the emergence and sustenance of another factor – "*politique des chefs de guerre*" (that is, warlordism or warlord politics).[211] In relation to corporate behaviour, warlordism provided the context in which MNCs dealt with rebel commanders as opposed to organs or agencies of the state (which were absent or incapacitated by the factors cited above). MNCs entered into agreements that

[208] For instance, politicians wanted to maximise the gains that accrued to the government from mining operations, resource-rich regions desired a bigger share of the resource "pie", while artisanal miners and MNCs favoured less stringent rules to regulate the mining sector (Interview with a member of the *Assemblée nationale* [National Assembly] (MT) [Kinshasa], 21 October 2010).
[209] Interview with a supervisor in a mineral trading house (EK) [Lubumbashi], 28 October 2010.
[210] Interview with a former minister in Mobutu Sese Seko's government [Kinshasa], 06 October 2010.
[211] Interview with an independent political and public policy analyst (KU) [Kinshasa], 04 November 2010.

offered financial benefits to warlords in return for access to natural resources. This practice, whereby an individual – through fiat – cedes the country's natural resources to a company had its provenance and was firmly rooted in Mobutuism.[212] As president, Mobutu Sese Seko had unilaterally granted mining concessions to foreign companies in return for personal gain. Again, history bequeathed a practice that allowed for the plunder of the country's natural wealth. Warlordism obviated the need for MNCs to comply with statutory regulations; all that mattered was keeping one person happy (that is, the warlord, whom an interviewee referred to in French as "*grand patron*" [English: "big man"]).[213] It also foreclosed accountability on the part of corporations. In effect, warlordism provided a fertile ground for corporate complicity in conflict.

Porous borders also contributed significantly to the plundering of the DRC's mineral wealth. This is especially the case in eastern DRC. Specifically, the government has been unable to secure the borders that the DRC shares with Rwanda and Uganda. This has made resource trafficking easier. *Comptoirs* in the DRC and merchants from neighbouring countries have taken advantage of the porous borders in their quest to meet international demand for resources such as cassiterite, coltan, and gold. The DRC's porous borders are crucial to the lubrication of the local-global supply chains for these resources. Porous borders enabled suppliers to transport minerals from conflict zones to neighbouring countries *en route* international markets. In this way and with reference to local-global supply chains, porous borders enabled resource-trading MNCs to conceal the sources of minerals that are extracted in conflict zones in the DRC.

---

[212] It may even be argued that Mobutu Sese Seko merely conformed to a tradition that had been instituted in colonial times. After all, King Leopold II had also considered the territory and its resources his personal property, which he could use as he pleased. I am grateful to one of the study participants for pointing my attention to the provenance of this practice (Interview with an Assistant Professor of Political Science (EM) [Kinshasa], 05 November 2010).

[213] Interview with a former Lieutenant Colonel in the *Forces Armées de la République Démocratique du Congo* (FARDC) [Armed Forces of the Democratic Republic of Congo] (SFK) [Kinshasa], 23 October 2010.

As is the case with the local context, the national context influenced MNCs' actions in ways that typify corporate complicity in conflict. Yet, the national environment also underpinned corporate initiatives that facilitated social investment and peacebuilding efforts in conflict zones. For instance, the absence of state authority and government incapacity have underscored CSR projects such as infrastructure provision and rehabilitation as well as investment in education and health care, albeit these were not sufficient to constitute real transformation in the DRC, given the country's profound structural problems. The significance of the national context to the performance of these CSR functions lies in the fact that – more often than not – in conflict-prone areas, corporate actors have had to perform public functions that are typically undertaken by governments. Therefore, the national context is a crucial determinant of the ambivalent character of corporate behaviour in conflict zones.

The international context is also pivotal to understanding corporate behaviour. Key variables at this level of analysis include the role of intervening countries, the international market for minerals, the absence of an international regime to regulate coltan trade, the role of the UN as well as international NGOs. As noted earlier, countries that intervened in the DRC conflict also controlled access to mineral sites during their occupation of parts of the DRC. They were thus able to facilitate the transfer of minerals from the DRC to international markets. For instance, resource-trading MNCs were able to use neighbouring countries as conduits for resources extracted from the DRC. As noted earlier, the reports of the UN Panel of Experts revealed that Burundi, Rwanda and Uganda served as key channels of transfer in the local-global supply chain for minerals such as cassiterite, coltan and gold. *Comptoirs* generally sold minerals to buyers who then transported the minerals through neighbouring countries *en route* international markets.[214]

Resource-trading MNCs also had 'agents' in these neighbouring countries. The significance of this point is that the governments of neighbouring countries allowed these agents to operate on behalf of MNCs or sell minerals to MNCs. These 'agents' facilitated commercial transactions (on behalf of MNCs) relating to mineral procurement from the DRC.[215] However, some MNCs dissociated themselves from the activities of the 'agents', thus attempting to absolve the companies of any culpability in illegal activities that fuelled conflicts in the DRC. Nevertheless, the point here is that without direct presence in the DRC, MNCs relied on neighbouring countries for mineral supplies.

Another factor at this level of analysis is the international market for the DRC's natural resources. As noted earlier, international attraction to, and demand for, the DRC's high quality minerals influenced the resource-conflict dynamics. For example, the unprecedented technological boom resulted in phenomenal demand for DR Congo's coltan, a strategic mineral used in the high-tech industry. Resource-trading MNCs had to satisfy the high demand by manufacturers and, in the bid to do so, obtained coltan from the DRC's conflict zones. Consequently, resource buyers were linked to the conflicts and conflict minerals. International demand for natural resources served as a 'push' factor that propelled MNCs into the DRC's conflict zones. In addition, the dynamics within international markets for natural resources gave fillip to the quest for profit maximisation by MNCs. In this way, the international market functioned as a determinant or motivation for corporate behaviour.

[214] The majority of the study participants (interviewees, respondents to questionnaires and those who participated in the focus group discussions) stressed this point, which corroborated the findings of the UN Panel of Experts.
[215] For details, see United Nations Security Council (2001a; 2001b; 2002a) and RAID (2004).

Furthermore, the absence of an international regime to regulate coltan trade created 'opportunities' for illicit exploitation, trafficking and sale. Although a certification scheme (such as the KPCS) – in itself – does not prevent or eliminate illegal activities, it provides a modicum of restraint on illicit actions and provides avenues for accountability, punitive measures and redress when they occur. With reference to coltan, the absence of an international regime – even though the natural resource was included in the 'conflict minerals' category – undermined international efforts to tackle illicit activities in relation to the natural resource. Moreover, there was no obligatory requirement to certify coltan as 'conflict-free' before it could be traded on the international market. This crucial 'missing link' in the supply chain process contributed to illegal behaviour by resource buyers and sellers; it also made it difficult to rein in such behaviour. With specific reference to MNCs, the net effect of the absence of an international regime to regulate coltan trade is that it bolstered illicit action (that is, trading in conflict minerals), which exemplified corporate complicity in the DRC conflict.

It is instructive to note that the international context also underpinned changes in corporate behaviour. The roles of the UN and international NGOs illustrate this point. For instance, the work of the UN Panel of Experts engendered behavioural changes on the part of MNCs. While some MNCs ceased direct transactions in the DRC, other companies officially severed ties with *comptoirs* that had been linked to (trade in) conflict minerals. In addition, a few MNCs expressed their commitment to meet ethical standards or work towards best practices (such as compliance with the *OECD Guidelines for Multinational Enterprises*) thus signalling an undertaking to alter their behaviour.

Similarly, advocacy by international NGOs (such as Enough Project, Global Witness, and Oxfam) has stimulated changes in corporate behaviour. Some MNCs headquartered in OECD member states have had to reassess and adjust their practices following their referrals to the National Contact Points because of the activities of international NGOs. Due to the advocacy campaigns by these international NGOs, many MNCs, especially resource-trading companies and manufacturers of 'hi-tech' products, are increasingly dissociating themselves from conflict minerals in general and minerals originating from the DRC in particular.[216]

In sum, the local, national and international contexts are of vital utility in the explication of corporate behaviour in conflict zones. An examination of these levels of analysis suggests that a number of factors combine to determine corporate behaviour. Although profit maximisation is a dominant logic in corporate activities, it is accentuated or mediated by other variables that are internal and external to corporations. To understand corporate complicity (in conflict) and/or corporate peacebuilding, it is necessary to examine the contextual factors that underpin the (in)actions of companies in conflict zones. Just as it is difficult to unpack the complexities of human behaviour with reference to a single factor, it is difficult to do so in the case of corporate behaviour. Therefore, it is simplistic and reductionist to advance a mono-causal explanation for a gamut of corporate actions, or the specifics of corporate behaviour, especially in conflict situations that are often characterised by complexities.[217] Consequently, the different contexts that determine MNCs actions serve as useful prisms for unpacking corporate behaviour in conflict situations. An examination of these contexts furnishes reasons for corporate actions, thereby helping to answer the most

[216] Focus group discussion with Congolese expatriates in Pretoria, South Africa, 09 June 2012.

[217] This is not to understate the saliency of profit maximisation, which is the bottomline for MNCs. It is trite that companies invest in their operations to gain profit; they are not going to be in any community if profit is impossible. Thus, MNCs are bound to navigate the complexities of conflict zones in ways that guarantee bottomline considerations. The point here is that the different ways in which MNCs choose to do so generally respond to dynamics in conflict areas.

important poser that social scientists (especially international relations scholars) grapple with in their study of political phenomena – the “why” question.

6.6 Conclusion

This chapter, devoted to the explication of corporate behaviour in the DRC, has examined pertinent aspects of MNCs’ operations in the context of the connections between business and conflict. In doing so, the chapter presented profiles of selected MNCs – those that were prominent in the DRC and therefore featured prominently in research findings.[218] The UN Panel of Experts, which investigated the illegal exploitation of DR Congo’s natural resources, also named these MNCs in its reports. These corporations discussed in the chapter were involved in mineral resource extraction, purchasing/marketing and supply chain processes.

As discussed, the UN Panel of Experts found that these MNCs had been involved in illegal activities in the DRC. The Panel also established that these companies had fuelled conflicts in the DRC by virtue of their connections to resource extraction and mineral trade. It was noted that the reports of the UN Panel of Experts have provided a basis for examining the intricate nexus or triangulation of natural resources, business and conflict in the DRC. Although a number of shortcomings trailed the work of the UN Panel, its establishment signalled a significant response from the world body towards attenuating conflict in the DRC.

While the reports of the UN Panel of Experts revealed instances of corporate complicity in the DRC conflicts, this chapter presented a few cases of CSR activities by MNCs in the country, thereby foregrounding the ambivalent character of corporate behaviour. CSR projects have focused largely on social service provision and infrastructure rehabilitation,

[218] See Chapter Seven.

with a substantial need for corporate initiatives that facilitate conflict transformation/peacebuilding.

In order to unpack corporate behaviour in terms of its ambivalent manifestations, the chapter utilised three levels of analysis – the local, national and international environments. These three spheres, which constitute the operational milieu of MNCs, encapsulate interactive clusters of actors and processes (even as they are devoid of mechanisms) that influence corporate actions in specific ways. As this chapter showed with reference to the DRC, local, national and international contexts undergird corporate behaviour. In line with this study's hypothesis, this chapter underscored the idea that contextual factors underpin corporate actions in conflict zones. It also emphasized the point that an examination of such factors, as opposed to simplistic or reductionist explanations, engenders a holistic understanding of corporate behaviour. The question that merits attention is: how do research findings correlate with the analyses in this chapter? The next chapter addresses this question by presenting and analysing data obtained from the DRC.

CHAPTER SEVEN

DATA PRESENTATION AND ANALYSIS – BETWEEN PROFIT AND PEACE: MULTINATIONAL CORPORATIONS AND CONFLICT TRANSFORMATION IN THE DEMOCRATIC REPUBLIC OF CONGO

7.1 Introduction

The preceding chapter provided a *broad* or *general* explication of corporate behaviour in the study's location. In tackling this thematic concern, it presented the profiles of corporate actors with links to the DRC. These economic actors consisted of resource-extracting and mineral-trading MNCs, whose actions with reference to the DRC's conflicts typified deleterious and constructive forms of corporate behaviour. A deleterious form of corporate behaviour that the previous chapter highlighted – through the analysis of the reports of the UN Panel of Experts – is corporate complicity in conflicts in the DRC. The chapter also discussed corporate actions geared towards transformative change in the DRC, which exemplified a contrasting (that is, constructive) form of behaviour. It was noted that constructive corporate actions in conflict zones constitute "good" behaviour in a "bad" environment.

In view of the preceding chapter's analytical focus, namely, the broad explication of corporate behaviour in the DRC, the study examined the variables that informed MNCs' actions in the country. This approach to exploring the thematic concern of the chapter is premised on the idea that in order to understand corporate behaviour (or any type of behaviour), it is necessary to situate it in context. Therefore, the chapter contextualised corporate behaviour using three concentric spheres – or operational contexts – within which MNCs operate. It was explained that different scenarios and interactive clusters of actors at the local, national and international levels combine to determine the strategic behaviour of

MNCs in conflict zones, such as their involvement or non-involvement in conflicts as well as their facilitation of or non-participation in conflict transforming activities. The chapter showed that a coalescence of local, national and international factors engenders specific response(s) by corporate actors in a typical conflict situation. It also argued that an examination of the contextual variables at these three levels of analysis is essential for understanding corporate actions in the DRC.

Chapter Seven, drawing from the analysis in the preceding chapter, deals with the presentation and analysis of research data. This chapter presents findings from fieldwork with reference to MNCs and conflict transformation in the DRC. The idea here is to explicate the data obtained during fieldwork and to situate the data in the context of the discussion in preceding chapter. Chapter Seven does this by framing the activities of MNCs based on the perspectives of the study participants, against the backdrop of the main trends in corporate behaviour in conflict zones. In other words, this chapter foregrounds participants' views on corporate behaviour in terms of its ambivalent character.

In what follows, this chapter gives an overview of the methodology and data obtained from the study areas between 2010 and 2012. Deductions are made from the data to explicate the two typologies of corporate behaviour: MNCs' complicity in conflict as well as their peacebuilding roles. In addition, the data offer insights into participants' perceptions of the interface of MNCs, conflict and peace. The chapter discusses specific roles of corporate actors in the DRC's conflicts and the peacebuilding process from the perspectives of the study participants. It also depicts research findings on the rationale for corporate actors' involvement in conflicts and the conflict transformation process. As noted in Chapter Six, corporate peacebuilding (that is, CSR engagement that facilitates conflict transformation) constitutes a significant shift in corporate behaviour. Given the novelty of corporate peacebuilding, this chapter presents participants' assessments of MNCs vis-à-vis this facet of corporate behaviour. It also discusses the issues that emerge from the review of literature, theoretical frameworks, paradigmatic perspectives and survey findings. Based on research findings, the chapter concludes with a prognosis on corporate peacebuilding in the DRC. The following section deals with the methodology and description of data from the study's location.

7.2 Methodology and description of research data

As noted in Chapter One, this study relied on primary and secondary sources of data. Secondary sources of data were used extensively in the analyses in the previous chapters, which also featured the interpolations of primary data where necessary. Primary data for this study was obtained from fieldwork conducted in the DRC and South Africa during various months between 2010 and 2012. The study participants were chosen using a combination of purposive (expert) and snowball sampling methods. The foremost criterion for including individuals in the sample was knowledge or awareness of MNCs' operations in the DRC. The researcher used three key data collection methods namely, *focus group discussions*, *in-depth interviews* and *questionnaires*.

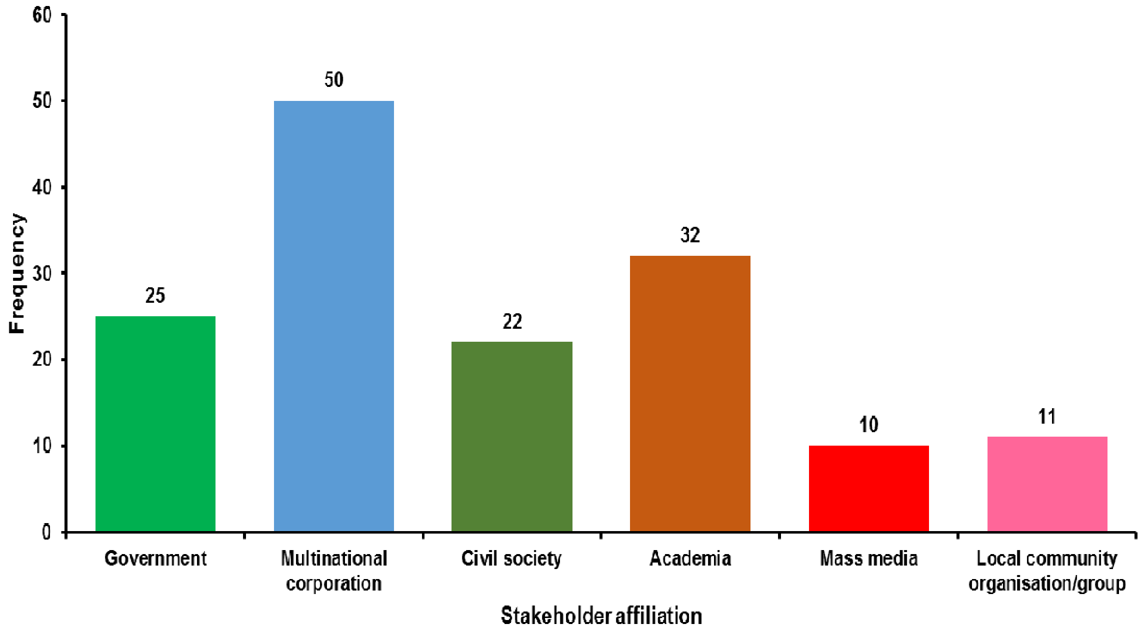
Three focus group discussions were held in 2012 with Congolese expatriates in three South African cities of Durban, Johannesburg and Pretoria. Each group comprised 10 members. In total, 30 persons – comprising academics, artisans, businesspersons, civil society actors, medical professionals and refugees – participated in the focus group discussions. The focus group discussions were held for further engagement with and clarification of issues arising from fieldwork, specifically the responses in questionnaires administered in the DRC in 2010 and 2011. In sum, the focus group discussions complemented other data collection modes, namely interviews and questionnaire administration.

As noted in Chapter One, the researcher conducted 71 in-depth interviews. Interviewees were drawn from MNCs' stakeholder base – the government, local communities, and civil society. The interviews, which took three forms (face-to-face, telephonic and electronic), enabled the deep exploration and engagement with issues pertaining to natural resource governance and corporate behaviour in the DRC. Moreover, interviewees' responses to questions offered insights that the researcher could not obtain during focus group discussions or through the questionnaire.

In terms of the third data collection technique, the researcher administered more than 350 questionnaires in the DRC, of which only 150 were returned.[219] This and subsequent sections present the data obtained from the survey. Respondents were expected to provide qualitative responses to clarify certain cardinal and ordinal variables in the questionnaire. Qualitative responses often explained or highlighted the significance of views stated in cardinal and ordinal forms. Relevant sections of the questionnaire were captured and cross tabulated with the Statistical Package for the Social Sciences (SPSS).[220] There were a number of variables pertaining to the 150 respondents to the questionnaire. These variables include the respondents' stakeholder affiliation, location/region in the DRC and awareness of MNCs' activities in the DRC. This section presents the varying responses to these variables by the 150 respondents. First is the stakeholder affiliation of respondents.

[219] See sub-section 1.6.1 in Chapter One for an explanation of the reason for low response rate.
[220] Officially known as IBM SPSS Statistics.

Figure 7.1: Respondents' stakeholder affiliation



As Figure 7.1 shows, a sizable number (one-third) of respondents, that is 50 out of 150 (representing 33%) were affiliated with MNCs. These respondents consisted mainly of individuals working with or for *comptoirs* and former employees of companies in the DRC. In the second highest category were individuals in academia, comprising 32 respondents and representing 21% of the sample population. Government officials constituted the third highest category in terms of representation (with 25 respondents out of 150), that is 17% of respondents. Individuals from the civil society constituency numbered 22, making up 15% of the sample population. Eleven respondents (7%) were leaders or members of local community organisations or groups. There were 10 individuals from the mass media, representing 7% of the respondents. A note on the profiles of respondents is instructive.

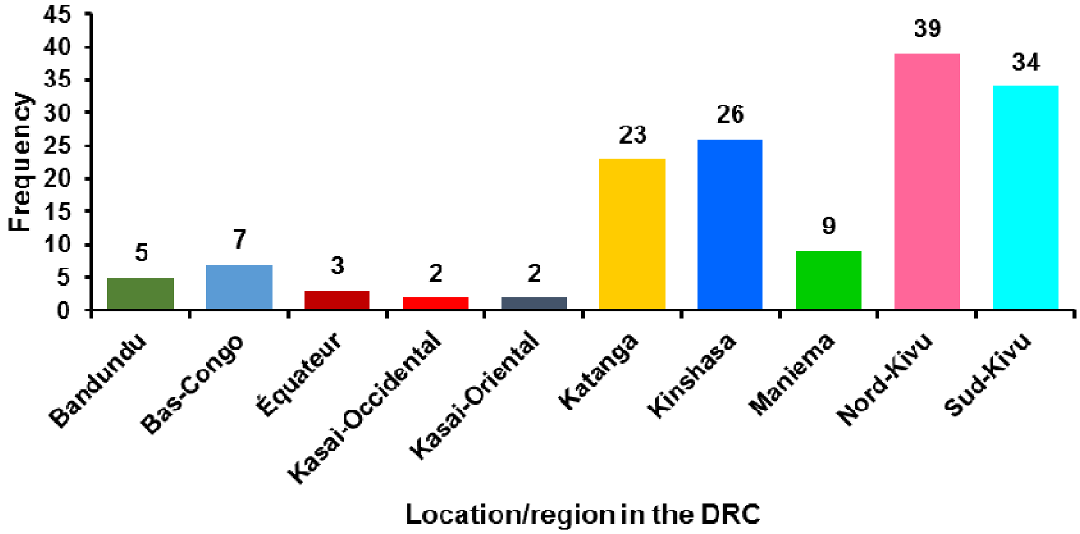
That the majority of respondents were affiliated with MNCs is significant.[221] This set of respondents were directly or indirectly involved or connected with MNCs' activities in the DRC. Presumably, they were able to provide insights that other respondents did not possess. Respondents in the second highest category, that is, academia, were also crucial for a key reason. The academy (especially the social sciences community in the DRC) has been marked by scholarly interest in issues related to natural resources in the country.[222] Furthermore, government officials (especially those in the Presidency, key departments such as the Ministries of Mines and Planning) also had knowledge of issues pertaining to natural resource governance. With a view to stimulating transformative change in the DRC, the civil society and the mass media had been instrumental to accentuating the resource dimensions of conflicts, especially the complicity of profiteering networks in conflicts. These points about stakeholder affiliation highlight the calibre and credentials of respondents as well as their potentialities in providing pertinent information that speak to the research questions.

Another important variable was the respondents' location/region in the DRC, which is presented diagrammatically thus.

[221] It is instructive to note that preliminary discussions with my research assistants (prior to fieldwork in the DRC) suggested that those affiliated with MNCs were generally more favourably disposed to completing the survey instrument as opposed to granting interviews. Given the sensitive nature of this study, this set of the study participants apparently felt that the *modus operandi* associated with the questionnaire administration protected their anonymity better than interviews would.

[222] For instance, I found out during my visits to the Universities of Kinshasa and Lubumbashi that almost all the disciplines in the Social Sciences had faculty who had conducted studies or developed expertise in issues relating to natural resources in the DRC.

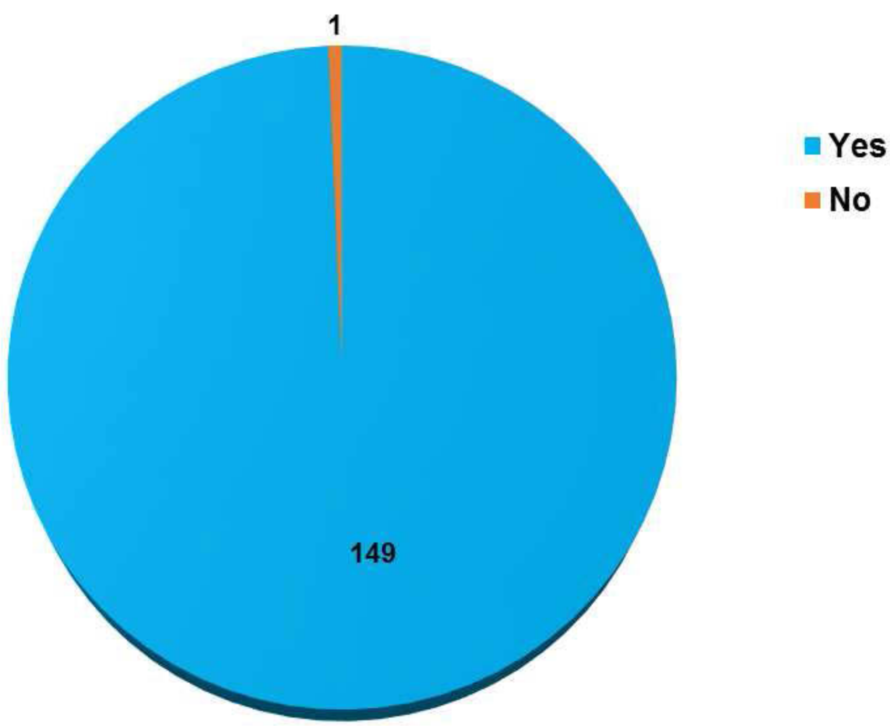
Figure 7.2: Respondents' location/region in the DRC



As Figure 7.2 shows, the majority of respondents were from, or were based in, key locations that have significance for this study. Personal observations and experiences of respondents as well as exposure to corporate-conflict dynamics in resource-rich provinces would be a plausible explanation for this higher frequency. As noted in Chapter Four, the provinces of Nord-Kivu (North Kivu), Sud-Kivu (South Kivu), Katanga and Maniema are resource-rich. These areas have also been epicentres of resource-related conflicts. Kinshasa is significant as the capital city and the seat of national government. A breakdown of the sample population shows that 39 (26%) respondents were from Nord-Kivu, 34 (23%) from Sud-Kivu, 26 (17%) from Kinshasa and 23 (15%) from Katanga. Nine (6%) respondents were from Maniema, seven (5%) from Bas-Congo, five (3%) from Bandundu, three (2%) from Équateur, and two each (1%) from Kasai-Occidental and Kasai-Oriental. The combined numbers of respondents from Katanga, the two Kivus and Maniema indicate that the majority of respondents (105 individuals, representing 70%) were from areas that had been plagued with resource-related conflicts. Most likely, these respondents were able to provide information based on their personal experiences and understandings of the strong links between natural resources and conflicts in these areas as well as the involvement of corporate actors in conflicts and in the peacebuilding process.

A key variable was respondents' knowledge of corporate actors in the DRC, which the chart below (Figure 7.3) depicts.

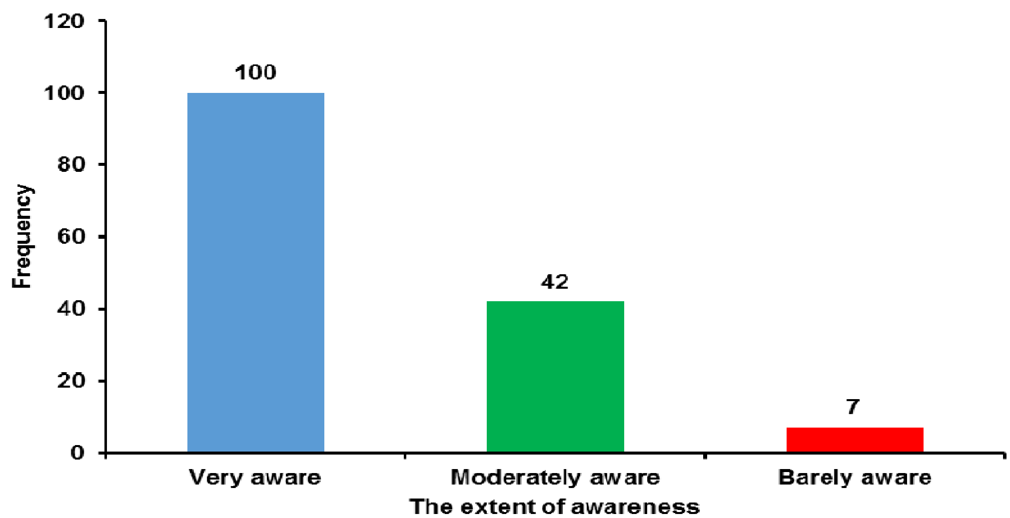
Figure 7.3: Respondents' awareness of MNCs' operations in the DRC



All 150 respondents answered the question: "Are you aware of MNCs' operations in the DRC?" As Figure 7.3 shows, 149 respondents (99%) were aware of the activities of MNCs in the country while one respondent (1%) answered in the negative. Respondents' awareness of MNCs' operations was crucial to providing answers to subsequent questions posed in the questionnaire. This was a pivotal requirement for respondents, as their ability to provide pertinent information on corporate behaviour hinged on awareness of MNCs' operations in the DRC.

It was also necessary to find out the extent of knowledge that respondents had about corporate actors in the DRC. This underpinned another question, which is examined below.

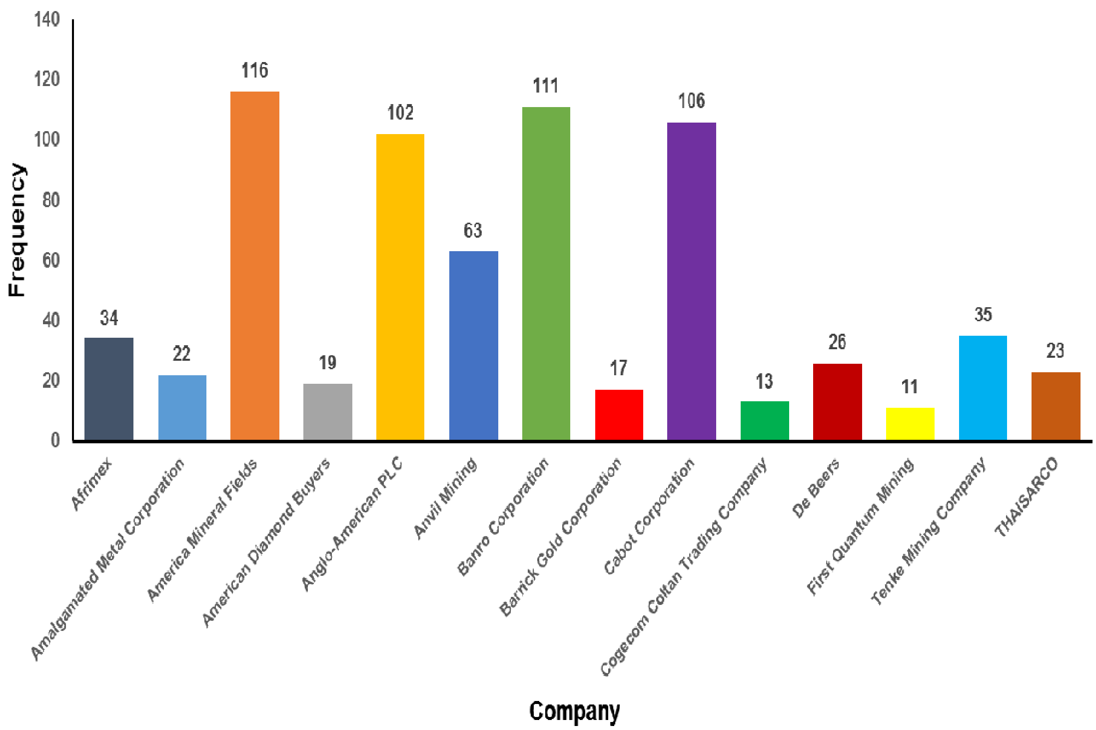
Figure 7.4: The extent of respondents' awareness of MNCs' operations in the DRC



Of 150 respondents, 149 responded to the question on the extent of their awareness of MNCs' operations in the DRC. One respondent did not answer this question. As Figure 7.4 shows, 100 respondents were "very aware" of the activities of MNCs, representing 67%. This was followed by 42 respondents (28%) who were "moderately aware" of the operations of MNCs. Seven respondents (5%) were "barely aware" of MNCs' activities in the DRC. The combined numbers of those who were "very aware" and "moderately aware" indicate that the vast majority of respondents (142 out of 149, representing 95%) were (reasonably) competent to provide information that the survey instrument sought to elicit in order to address the research questions.

Drawing from respondents' level of awareness of MNCs' operations in the DRC, the questionnaire required respondents to identify the MNCs whose operations they were most familiar with. Figure 7.5 (below) presents respondents' responses to this question.

Figure 7.5: Respondents' identification of MNCs in the DRC



The question, which required that respondents identify specific MNCs whose activities they (respondents) were most familiar with, allowed for multiple responses. In other words, each respondent could name as many MNCs as possible based on their knowledge of the companies' activities in or connections with the DRC. Figure 7.5 above shows the MNCs that respondents identified and the number of occurrences/frequencies for each company. Respondents identified 14 companies in varying frequencies. The MNC with the highest frequency (identified 116 times) was America Mineral Fields (now Adastra Minerals). Banro Corporation (111 times) had the second highest frequency. Cabot Corporation had the third highest frequency with 106 occurrences. Anglo-American PLC was mentioned 102 times.

Respondents mentioned Anvil Mining 63 times. Other MNCs had considerably fewer frequencies. These included Tenke Mining Company (35), Afrimex (34), De Beers (26), THAISARCO (23) and Amalgamated Metal Corporation (22). Companies that had a frequency of less than 20 included American Diamond Buyers (19), Barrick Gold Corporation (17), Cogecom Coltan Trading Company (13) and First Quantum Mining (11).

The frequencies indicate respondents' knowledge of the MNCs' presence in, or connections with, the DRC. Such knowledge was based on a number of factors such as respondents' stakeholder affiliation (which exposed them to MNCs' operations), respondents' location (for example, where MNCs' activities were conducted), and information presented in the media or published in articles, reports or on the internet.

Having presented the profile of respondents, the next section analyses findings on MNCs and conflict in the DRC from the perspectives of respondents.

7.3 Presentation and analysis of findings on multinational corporations and conflict in the DRC

This section presents respondents' articulation of the connections between MNCs and the DRC's conflicts and the peacebuilding process. Specifically, this section addresses the research question on the specific roles of MNCs in the DRC's conflicts and peacebuilding process. As noted repeatedly in this study, the strategic behaviour of MNCs in conflict zones is characterised by ambivalence: some corporate actions sustain conflict while others facilitate conflict transformation. In view of this reality, this section is divided into two. The first sub-section deals with respondents' perspectives on MNCs' roles in the DRC's conflicts.

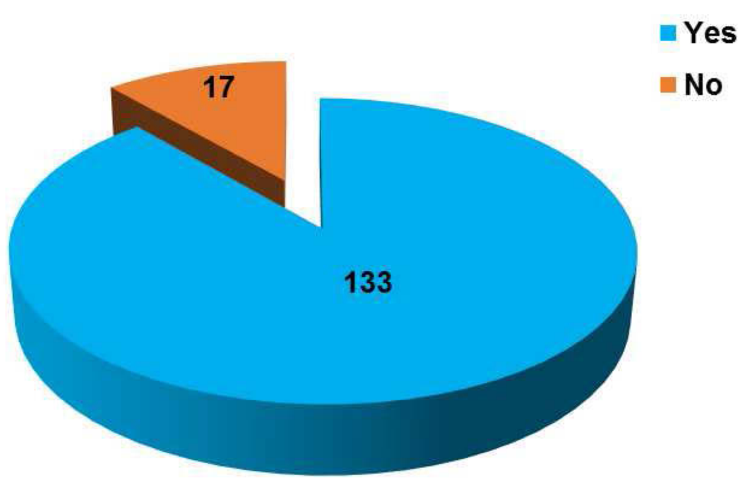
The conflict transformation roles of MNCs, according to respondents, constitute the focal point of analysis in the second sub-section.

7.3.1 Typology of corporate behaviour – Corporate marauders? MNCs' complicity in conflict

As noted above, this sub-section focuses on a typology of corporate behaviour, that is, corporate complicity in conflict. Precisely, this sub-section seeks to answer key interrelated research questions: What specific roles did MNCs play in the DRC's conflicts? Why did corporate actors play these roles? Respondents had to answer four preliminary questions before identifying the specific roles of MNCs in the DRC's conflicts. These questions foreground important variables that relate to respondents' ability to identify MNCs' actions that exemplify the first typology of corporate behaviour.

First, respondents were asked to indicate whether they were aware of the involvement of MNCs in the DRC's conflicts. Figure 7.6 below depicts their responses.

Figure 7.6: Respondents' awareness of MNCs' involvement in the DRC's conflicts



All 150 respondents answered the question on awareness of MNCs' involvement in the DRC's conflicts. Figure 7.6 shows that the majority of respondents (133), representing 89% were aware of the involvement of MNCs in conflicts in the DRC. Of those surveyed, 17 respondents (11%) answered in the negative. A cross tabulation of the responses according to stakeholder affiliation highlights an important point.

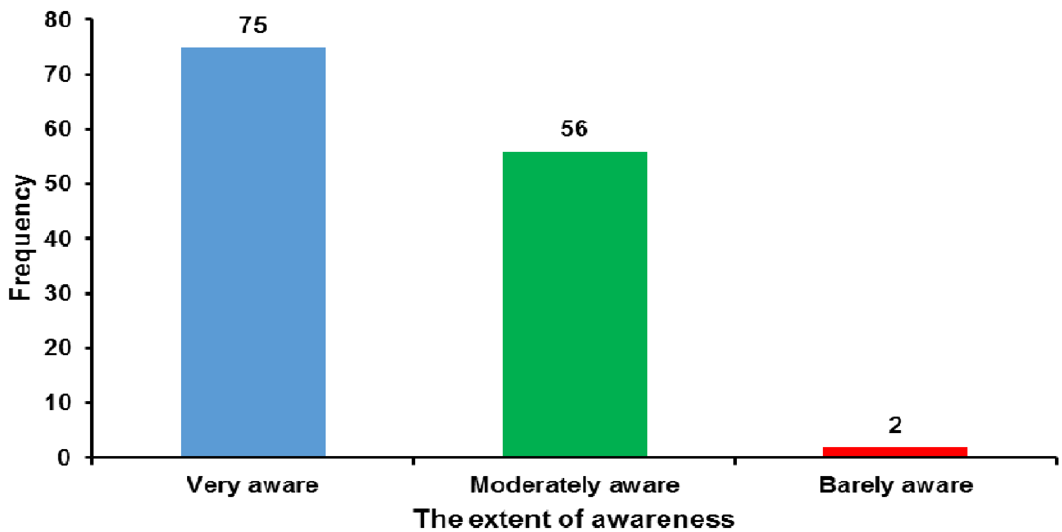
Table 7.1: Cross tabulation of stakeholder affiliation and awareness of MNCs' involvement in the DRC's conflicts

		Are you aware of the involvement of multinational corporations in the DRC's conflict?		Total
		Yes	No	
Stakeholder affiliation	Government	25	0	25
	Multinational corporation	34	**16**	50
	Civil society	21	1	22
	Academia	32	0	32
	Mass media	10	0	10
	Local community organisation/group	11	0	11
Total		133	17	150

As Table 7.1 above shows, of the 17 respondents who answered in the negative, one was affiliated to the civil society; the remaining 16 respondents were affiliated to MNCs. The remarkable thing is that nearly half of those affiliated to MNCs were unaware of this key activity of their employers or business associates. This suggests that MNCs as well as other actors affiliated to them were more likely to reject the idea of corporate complicity in conflicts and illicit activities in the DRC.

Furthermore, respondents were asked to indicate the *extent* of their awareness of the involvement of MNCs in the DRC's conflicts. The figure below presents their responses.

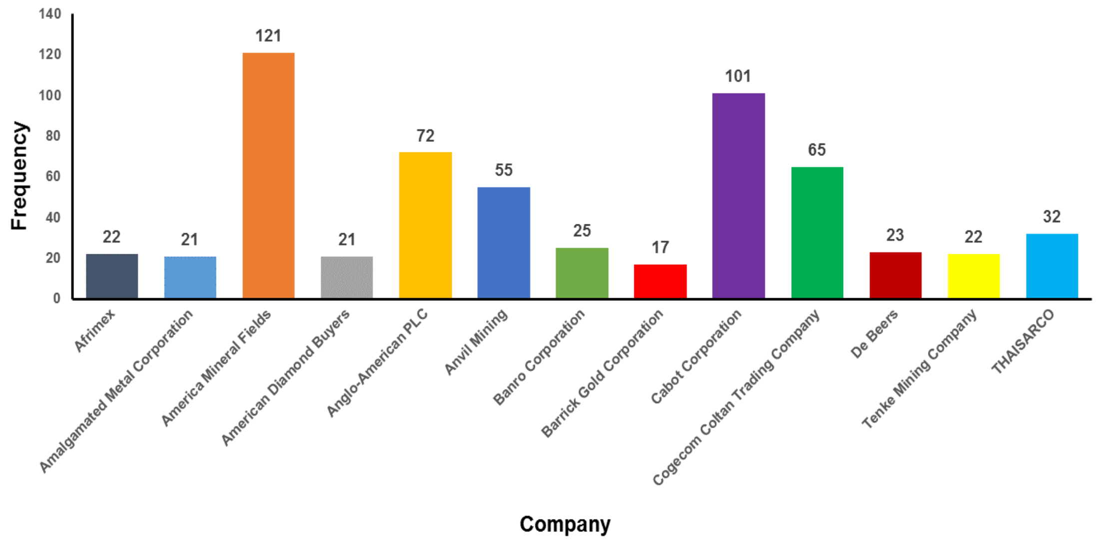
Figure 7.7: Extent of respondents' awareness of the involvement of MNCs in the DRC's conflicts



Of 150 individuals surveyed, 133 respondents answered the question on the extent of respondents' awareness of MNCs' involvement in conflicts in the DRC. This means that 17 respondents who were not aware of corporate actors' involvement in the DRC's conflicts – appropriately – did not answer this question. Based on the 133 'yes' responses, Figure 7.7 above shows that more than half, that is, 75 respondents (56%) were "very aware" of the involvement of MNCs in conflicts. This was followed by 56 respondents (comprising 42%) who indicated that they were "moderately aware" of MNCs' involvement in conflicts. Two respondents (2%) were "barely aware" of the involvement of MNCs' in the DRC's conflicts. The combined numbers of respondents in the "very aware" and "moderately aware" categories indicate that 131 out of 133 respondents (98%) were in a position to provide information on corporate actors' involvement in the DRC's conflicts.

Drawing from the above question, respondents were asked to identify the MNCs that were involved in the DRC's conflicts. The figure below (7.8) shows respondents' responses to the question on the corporate actors that were involved in conflicts.

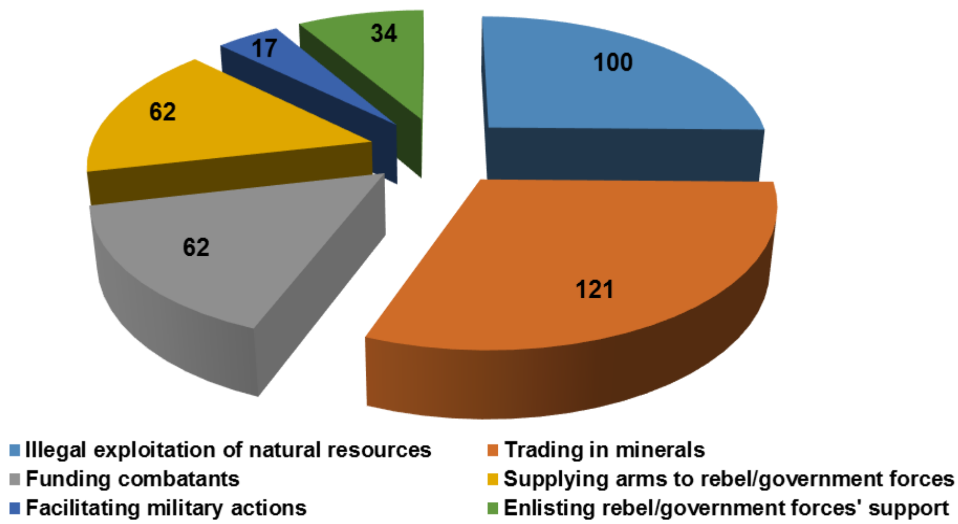
Figure 7.8: Respondents' identification of MNCs involved in the DRC's conflicts



The question on the MNCs that were involved in the DRC's conflicts allowed for multiple responses. Figure 7.8 above shows the MNCs and their frequencies. Respondents identified 13 companies with connections to conflicts in the DRC. America Mineral Fields (now Adastra Minerals) had the highest frequency of 121, followed by Cabot Corporation with 101. Next were Anglo-American PLC with a count of 72, Cogecom Coltan Trading Company with 65, and Anvil Mining with 55. Respondents identified THAISARCO 32 times. The frequency for Banro Corporation was 25, while De Beers had 23. Afrimex and Tenke Mining Company had the same frequency of 22. Similarly, two companies – Amalgamated Metal Corporation and American Diamond Buyers – had a frequency of 21. Barrick Gold Corporation had the lowest frequency (17). As will be seen subsequently, research findings suggest that these corporate actors were involved or connected to conflicts in the DRC in a number of ways.

Having presented respondents' responses to the four preliminary questions, this section follows with the discussion of the specific roles of MNCs in the DRC's conflicts as articulated by respondents. Figure 7.9 below shows respondents' indication of the main roles that MNCs played in conflicts in the DRC.

Figure 7.9: Respondents' articulation of MNCs' roles in the DRC's conflicts



The question on the main roles that MNCs played in the DRC's conflicts also allowed for multiple responses. In other words, each respondent – to the best of her/his knowledge – could identify more than one conflict-sustaining activity by MNCs. Figure 7.9 above depicts MNCs' roles in conflict and the frequency of reference to each role.

The role that had most occurrences (121) was "trading in minerals", which many respondents (as well as interviewees) felt was instrumental to perpetuating conflicts. For instance, one interviewee argued that MNCs were the main buyers and suppliers of "conflict minerals" and, as a result, that they were responsible for conflict prolongation and the devastating impact of resource-related conflicts in the DRC.[223] There was consensus amongst respondents who cited this role that MNCs' actions in this regard sustained war efforts. With reference to this role by MNCs, mineral revenue provided the economic backbone for military efforts through which combatants sought to achieve their political objectives.[224] "To the rebels and their supporters, the mineral money [was] a godsend" (McKinley, 1997: i. d); to MNCs, the rebels and other collaborators were important stakeholders that furthered the profit maximisation agenda. This dynamic illustrates deleterious connections between business and conflict.

Another role that respondents identified was the "illegal exploitation of natural resources", referred to 100 times. This corporate activity involved accessing minerals in the DRC's conflict zones. According to one respondent, mercenaries occasionally facilitated MNCs' quest to access the DRC's minerals.[225] The involvement of corporate actors in illicit exploitation of natural resources prompted another respondent to liken MNCs to "mercenaries".[226] The links between corporate actors, militias, rebels and foreign armies, which lubricated illicit resource extraction and trafficking, exemplified an aspect of corporate complicity in the DRC's conflicts.

According to respondents, companies also provided support for belligerents during conflicts. Corporate support for warring parties took three forms. One, funding for combatants, which respondents mentioned 62 times. Two, supplying arms to rebel/government forces (also with 62 references). Three, facilitating military actions, which had 17 occurrences. Companies that operated in conflict zones were involved in economic arrangements that provided funding for combatants (rebels and national armies). For instance, companies and comptoirs

[223] Interview with a member of the Congo Leadership Initiative (a youth empowerment NGO) [Kinshasa], 06 November 2010.
[224] Respondent Q1.
[225] Respondent Q9.
[226] Respondent Q3.

(acting in the interest of MNCs) paid "taxes" and made other financial contributions to rebel groups. Companies were also implicated in the DRC's conflicts through the supply of military weapons to warring parties. As noted in interviews, the barter system, whereby MNCs supplied arms to rebels in exchange for access to minerals, was a case in point.[227]

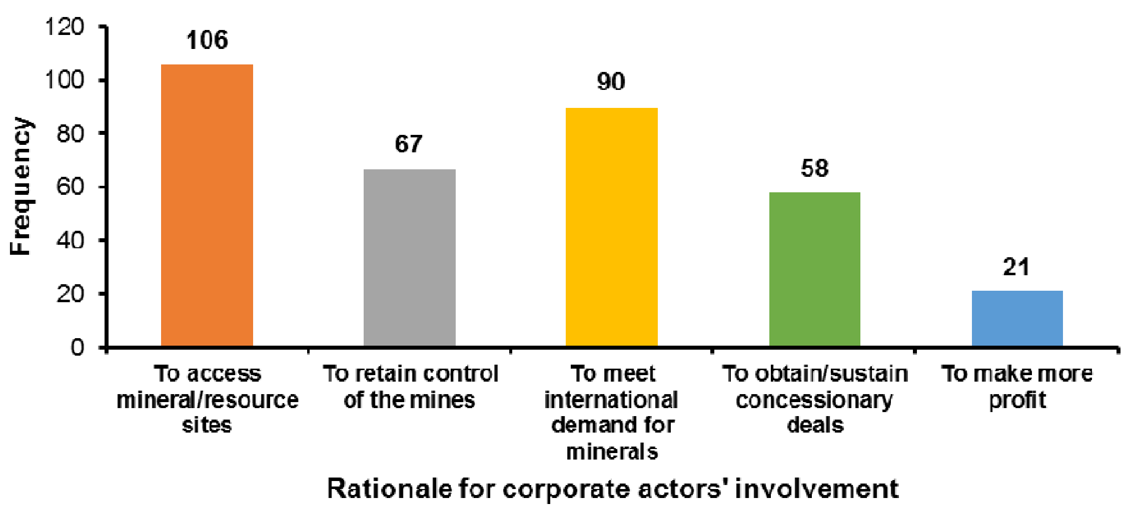
In addition, corporate actors facilitated military actions by providing logistical support to warring parties, such as the leasing of helicopters and the provision of communication equipment (for example, satellite telephones).[228] For instance, it was reported that the co-founder of America Mineral Fields (Jean Ramon Boulle), who concluded a US$1 billion mining contract with the AFDL rebel group in April 1997, allowed the rebels to use his private jet (Montague, 2002: 110). Jean Ramon Boulle put his jet at the late Kabila's disposal in return for securing mining deals (McKinley, 1997: i. d). A respondent cited another example in which Anvil Mining in 2004 "helped the government by supplying weapons and logistics" to neutralise rebel groups in Kilwa in Katanga Province.[229]

Respondents indicated that companies operating in resource-rich conflict zones enlisted the support of rebel/government forces. This role had a frequency of 34. A respondent pointed specifically to a dimension of this role, that is, the active collaboration between companies and rebel leaders.[230] Generally, support from rebel/government forces offered some "protection" for corporate investment and activities in conflict zones.[231] Resource entrepreneurs typically rewarded armed protection with financial incentives, which provided

[227] Interviews with officials in the *Ministère des Mines* [Ministry of Mines] (CN) [Kinshasa], 17 October 2010; (VD) [Kinshasa], 17 October 2010; (J-DK) [Lubumbashi], 27 October 2010; and E-interviews (via Skype™) with a consultant to the *Division des Mines* Nord-Kivu [Goma], 05 March 2011; with an official of the *Division des Mines* Sud-Kivu [Bukavu], 07 March 2011.
[228] Interviews with an officer (III) in the *Agence Nationale de Renseignements* (ANR) [National Intelligence Agency], [Kinshasa], 07 November 2010; with a former local commander of a rebel movement [Kinshasa], 06 November 2010.
[229] Respondent Q32.
[230] Respondent Q1.
[231] Respondent Q79.

warring parties with economic and military arsenal. For instance, interviewees remarked with reference to this point that *comptoirs* and corporations sometimes requested the assistance of the army or rebel commanders, with the latter obtaining personal favours in return.[232] These favours included providing assistance in the areas of arms procurement, supply of uniforms, (international) financial transactions and settling the wage bill of officers.[233] This arrangement was a facet of a "symbiotic relationship" between corporate actors and belligerents, a relationship that suggested the complicity of companies in the DRC's conflicts.[234] Respondents' articulation of corporate complicity also required the identification of the motivations for the performance of conflict-sustaining roles by MNCs. In other words, why did corporate actors play the aforementioned roles in the DRC's conflicts? The following figure provides the answer to this question.

Figure 7.10: Rationale for corporate actors' involvement in the DRC's conflicts



[232] Interviews with a former member of the MLC [Kinshasa], 06 November 2010; with a member of the UDPS [Kinshasa], 07 November 2010.
[233] Interviews with a former member of the MLC [Kinshasa], 06 November 2010; with a member of the UDPS [Kinshasa], 07 November 2010.
[234] Interview with a Professor of International Political Economy (ALM) [Lubumbashi], 27 October 2010.

With reference to this multiple response question, respondents identified five reasons for MNCs' involvement in the DRC's conflicts. The reason with the highest frequency (106 occurrences), was corporate actors' quest to access mineral/resource sites. As noted earlier, the relationship between MNCs and other actors enabled the former to access natural resources. According to one respondent, corporate actors benefitted from the war situation in some ways, including being able to acquire mining rights from rebel groups: "they [MNCs] like the war because once the war continues, they'll continue with their illegal exploitation. That's why some time [sic] they do force the rebels to carry on with the war so as they continue to benefit from the disorder."[235] A striking example during the rebellion against Mobutu Sese Seko illustrates this point. *The New York Times* reported that less than two days after the AFDL captured Lubumbashi, executives of MNCs "were already flying into the city aboard private jets and setting up shop in the Hotel Karavia. They could be seen meeting at poolside and over meals with the rebels' finance minister and the newly appointed Governor of the province" (McKinley, 1997: i. d.). America Mineral Fields, one of the first MNCs to do business with the AFDL rebel group, reportedly signed a contract worth US$885 million with Laurent Kabila in return for exclusive mining rights (at that time) to copper and zinc in the DRC (McKinley, 1997: i. d.).

The rationale with the second highest frequency was the international demand for natural resources, which propelled MNCs into the DRC's conflict zones. Respondents identified this reason 90 times. As noted earlier, international demand for natural resources such as cassiterite and coltan led to a "rush" for DR Congo's resources. MNCs had to satisfy the demand for these minerals and, in doing so, adopted a variety of mechanisms, including collaboration with parties involved in conflicts in the DRC.

[235] Respondent Q10.

With frequencies of 67 and 58, respondents identified the need to retain control of the mines and the desire to obtain/retain concessionary deals as the third and fourth reasons for corporate involvement in the DRC's conflicts. In practice, companies collaborated with government forces and/or rebels when mining areas fell under the control of the armies or rebels. Military takeover and power dynamics in a mining area generally put corporate investment at risk.[236] For instance, prior to Mobutu Sese Seko's ouster, MNCs were concerned with protecting their mining rights or getting better deals (McKinley, 1997: i. d.). Therefore, MNCs that sought to obtain/retain concessionary deals or maintain control of mining sites felt obliged to collaborate with the powers at any given time. As noted earlier, such collaboration directly and indirectly linked corporate actors with conflict-perpetuating activities, which highlighted the complicity of such actors in conflicts.

The quest for more profit had the lowest frequency (21). It is difficult to question the dominance of the profit-maximisation logic in MNCs' decisions and operations. Many MNCs continued to "scramble for DR Congo's resources" despite the high level of volatility in the country. The DRC's resources offer greater prospects for immense profits in view of the high quality of the minerals. In the quest to make profits, companies were caught up in a "roller coaster ride towards treasure" (Montague, 2002: 110) in which virtually all actions were permissible, including those that fuelled conflicts. In other words, profit making was an end that justified any means. According to one respondent, the absence of regulatory frameworks (such as a mining code or an "investment code") in conflict zones presupposed

[236] For instance, Montague (2002: 109) noted that economic arrangements between the AFDL and MNCs "effectively took precedence over previous agreements negotiated by the Mobutu administration. As major cities located in mineral rich areas fell under AFDL control, mining corporations swarmed into rebel held territory", precisely to negotiate new or validate existing mining contracts.

that MNCs could make as much profit as possible.[237] With reference to this point, for instance, an interviewee asserted that in the bid to make profit, companies cast aside (the idea of) "corporate conscience and ethical compass".[238] At some point during the interview, this interviewee turned to the researcher and stated tersely: "some of these companies that you are calling corporate actors behave like marauders". The emphasis on profit maximisation, according to one of the study participants, tended to make "good" corporations act badly.[239]

The reasons that respondents cited for corporate actors' involvement in the DRC's conflicts find relevance in this study's hypothesis. As explained in the previous chapter, the strategic behaviour of MNCs is a function of the interplay of company-specific factors and variables in the local, national and international environments in which companies operate. This section shows that MNCs' roles in the conflicts and the rationale for such roles derived from or were closely associated with other actors' influences as well as factors at the three levels of analysis.

Having said that, how did respondents rate the significance of corporate actors' involvement in the DRC's conflicts? The figure below depicts respondents' assessment of the impact of corporate complicity.

[237] Respondent Q1.
[238] Interview with a staff of the *Commission Episcopale Justice et Paix* (CEJP) [Episcopal Commission for Justice and Peace] (CH) [Kinshasa], 29 October 2010.
[239] Interview with a Professor of Corporate Law (YN) [Kinshasa], 07 October 2010.

Figure 7.11: Respondents' assessment of the impact of MNCs' involvement in the DRC's conflicts

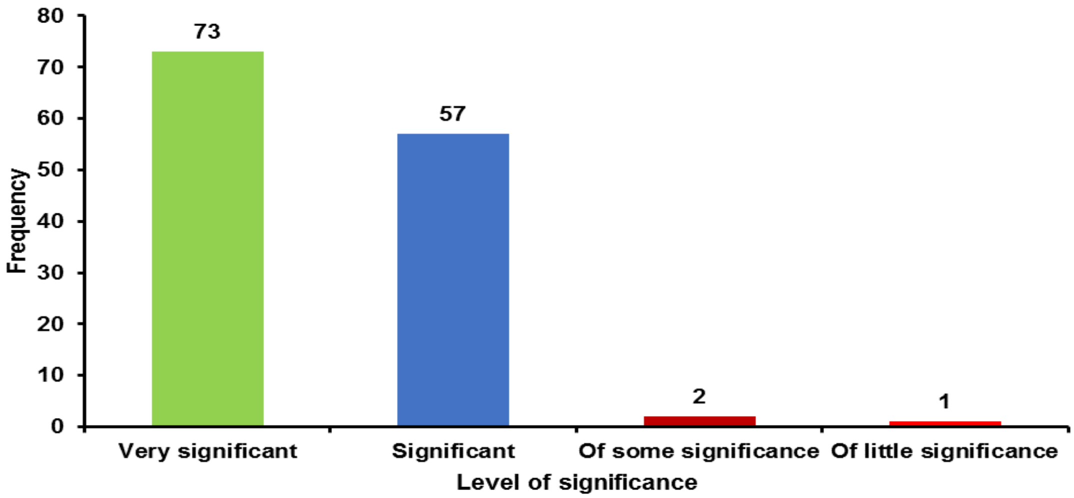


Figure 7.11 shows that of the 133 respondents that were aware of the involvement of MNCs in the DRC's conflicts, 73 (55%) were of the view that corporate actors' roles in conflicts were "very significant". Some respondents (57, comprising 43%) indicated that MNCs' roles were "significant". Two respondents (1.5%) stated that corporate actions in the context of the DRC's conflicts were "of some significance" while one respondent (0.5%) felt that MNCs' roles were "of little significance". Respondents were required to provide qualitative responses to buttress their assessment of the significance of corporate complicity in the DRC's conflicts.

Most respondents asserted that the involvement of mineral-prospecting and resource-trading companies complicated and perpetuated conflicts in the DRC. Some argued that belligerents could or would have been starved of economic resources needed to prosecute their war efforts if corporate actors were not involved in the DRC's conflict zones. In the view of these respondents, the roles of companies in natural resource exploitation and trade contributed significantly to conflict elongation.[240] A respondent argued that despite the insecurity in conflict zones, MNCs favoured protracted conflicts as it obviated compliance with best practices that more often than not are deemed costly.[241]

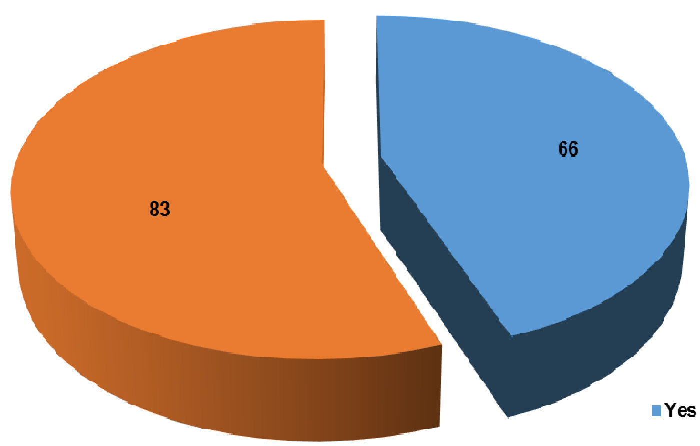
In addition to complicating and prolonging conflicts, MNCs' involvement in the DRC produced other deleterious complications. According to one respondent, the interactions between rebels and companies (which were viewed as "international actors") somewhat legitimised the rebel groups and undermined the national government,[242] thereby exacerbating the crisis of legitimacy in the DRC. A corollary of this consequence was that corporate actors' recognition of, and negotiation with, rebel leaders fostered warlordism, a situation that made participation in the peace process unattractive to rebels. A respondent argued that corporate complicity "created a mafia network that gave to some Congolese personalities and foreigners control of the state."[243] Evidently, the effects of corporate complicity were far-reaching, extending beyond the companies, their collaborators and local communities to exacerbating the crisis of legitimacy in the country. In rounding off this section, it is worth noting that these consequences of protracted conflicts highlight the significance of corporate complicity in the DRC. The next sub-section presents the contrasting dynamic of corporate behaviour in conflict zones.

[240] I had an interesting exchange on this point with a former member of the national parliament. He felt strongly that corporate complicity explained the whole gamut of economic dimensions of the wars in the DRC. "What does a rebel know about coltan"? he asked rhetorically. "The companies opened their [the rebels'] eyes and all of a sudden, people were no longer interested in peace because of coltan" (Interview with a former member of the national parliament [Kinshasa], 07 November 2010).
[241] Respondent Q10.
[242] Respondent Q39.
[243] Respondent Q33.

7.3.2 Typology of corporate behaviour – Catalysts for peace? MNCs' peacebuilding roles

This sub-section addresses the other typology of corporate behaviour, that is, MNCs' actions in support of conflict transformation. It seeks to answer these research questions: What roles, if any, did MNCs play in the DRC's conflict transformation process? What were the motivations for the performance of such roles (if any)? Respondents had to answer three preliminary questions before identifying the specific roles of MNCs in the conflict transformation process in the DRC. First, respondents were asked to indicate whether they were aware of the involvement of MNCs in the DRC's peace process. Figure 7.12 below presents respondents' answers to this question.

Figure 7.12: Respondents' awareness of MNCs' involvement in the peacebuilding process



Of 150 respondents, 149 responded to the question on awareness of corporate actors' involvement in the DRC's peacebuilding process. Figure 7.12 above shows that 83 respondents (representing 56%) were not aware of the involvement of MNCs in the DRC's peace process. 66 respondents (44%) indicated that they were aware of corporate actors' involvement in the peace process. A cross tabulation of respondents' stakeholder affiliation and awareness of MNCs' involvement in the peacebuilding process in this typology contrasts with that of the typology presented above.

Table 7.2: Cross tabulation of respondents' stakeholder affiliation and awareness of MNCs' involvement in the DRC's peace process

		Are you aware of the involvement of multinational corporations in the DRC's peacebuilding process?		Total
		Yes	No	
Stakeholder Affiliation	**Government**	8	**17**	25
	Multinational corporation	**32**	**18**	50
	Civil society	8	**14**	22
	Academia	11	**20**	31
	Mass media	3	7	10
	Local community organisation/group	4	7	11
Total		66	83	149

As depicted in Table 7.2 above, the highest number of respondents who indicated that they were aware of the involvement of corporate actors in the peacebuilding process were affiliated to MNCs. (In the first typology, which highlighted corporate complicity, nearly half of respondents affiliated with MNCs indicated that they were not aware of the involvement of corporate actors in conflicts.) While 32 (64%) out of 50 respondents in the MNC cluster were aware of MNCs' involvement in the DRC's peace process, the majority of respondents in the academia and government clusters were not aware of corporate actors' involvement in the peacebuilding process.

A number of deductions and plausible explanations can be made from the result of this cross tabulation. It is possible that some respondents affiliated with MNCs sought to present a positive image of corporate actors by inadvertently linking traditional CSR activities with corporate peacebuilding. It is also instructive to note that as many as 18 (36%) out of 50 respondents in the MNC cluster were not aware of the involvement of corporate actors in the

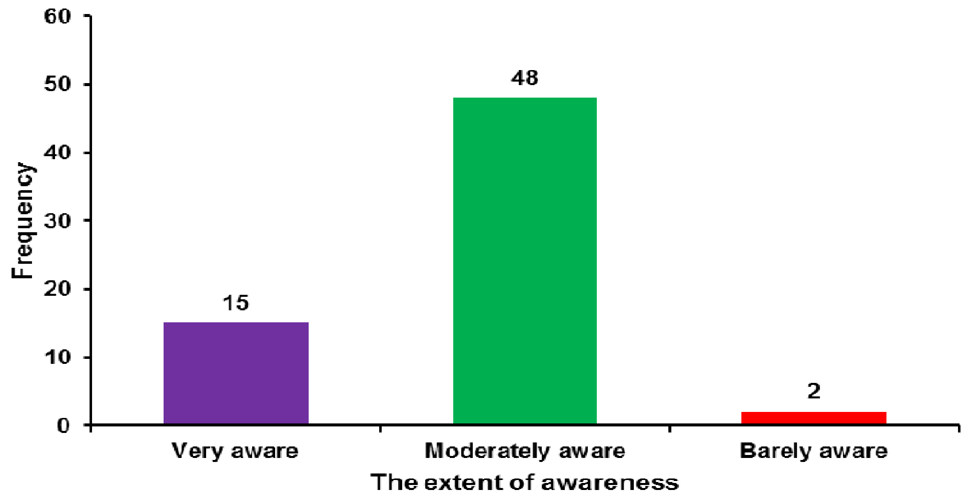
DRC's peacebuilding process. However, it may be conjectured that these 18 respondents were affiliated to MNCs that did not perform any peace-enhancing functions in the public sphere. Remarkably, the majority of respondents in all other stakeholder groups were unaware of the involvement of MNCs in the peacebuilding process.[244] What are the plausible explanations for this?

It is likely that other stakeholders were of the view that MNCs did not perform any peacebuilding roles. If indeed MNCs contributed to the conflict transformation process, then it is likely that the performance of such roles was devoid of the input of or collaboration with other stakeholders. It may also be worth asking if corporate actors publicised their peace-supporting initiatives. The plausible deductions and explanations notwithstanding, it is pertinent to state here that this aspect of the study was highly controversial during fieldwork. In some instances, respondents were sharply divided into pro-MNC and anti-MNC camps and therefore expressed diametrically opposing views. The key lesson that this provides is for the formulation of cross-stakeholder understanding of what constitutes corporate peacebuilding and what does not. This will obviate claims and counter-claims about the nature and definition of corporate actors' involvement in peacebuilding in particular and in the public sphere in general.

Moving away from this controversy, respondents were asked to indicate the extent of their awareness of the involvement of MNCs in the peacebuilding process. The graph below depicts respondents' responses to this question.

[244] Indeed, it is surprising that corporate activities in the sphere of peacebuilding would either escape respondents from broad sections of the Congolese society (including media groups, academics and civil society) or that these respondents failed to acknowledge such corporate actions. This point may be located in the controversy associated with CSR in the DRC as discussed in the preceding chapter.

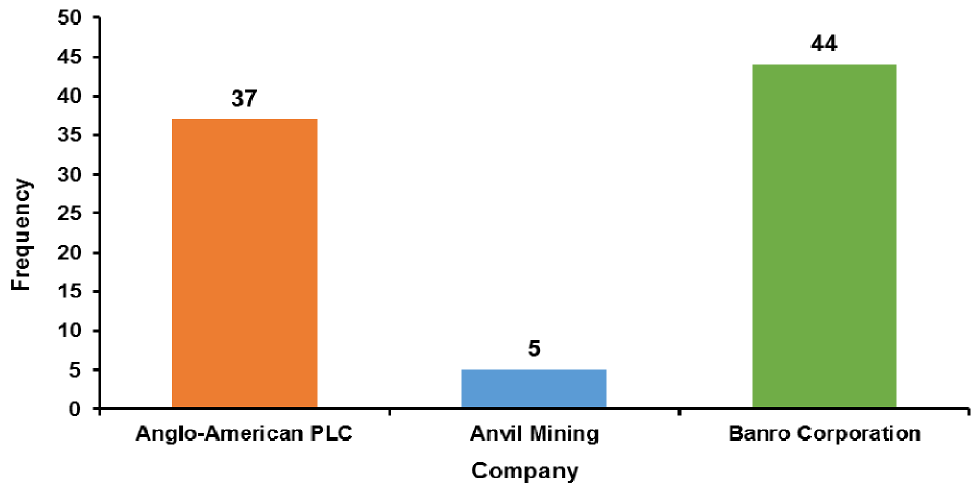
Figure 7.13: Respondents' extent of awareness of the involvement of MNCs in the DRC's peacebuilding process



Of the 66 respondents who were aware of the involvement of corporate actors in the DRC's peacebuilding process, 65 indicated the extent of their awareness of MNCs' operations. Figure 7.13 above shows that 15 (23%) respondents were "very aware" while 48 respondents (74%) were "moderately aware" of such corporate involvement. The "barely aware" category had two respondents (3%). The combined numbers of respondents in the "very aware" and "moderately aware" categories" indicate that 63 respondents (97%) were in a position to provide information on corporate peacebuilding in the DRC.

Against this backdrop, respondents could identify MNCs that implemented peacebuilding initiatives in the country, which the following figure depicts.

Figure 7.14: Respondents' identification of MNCs involved in peacebuilding in the DRC



The question that required respondents to identify MNCs involved in the conflict transformation process in the DRC allowed for multiple responses. Figure 7.14 above shows the corporate actors that respondents identified and the frequencies for each actor. Anglo-American PLC had a frequency of 37. Respondents mentioned Anvil Mining five times. Banro Corporation had the highest frequency of 44.[245]

What specific roles in the conflict transformation process did respondents ascribe to these MNCs? The chart that follows (Figure 7.15) presents respondents' answers.

245 While other companies might have executed peacebuilding projects, respondents mentioned only three MNCs, which are identified in the graph.

Figure 7.15: Respondents' articulation of MNCs' peacebuilding roles in the DRC

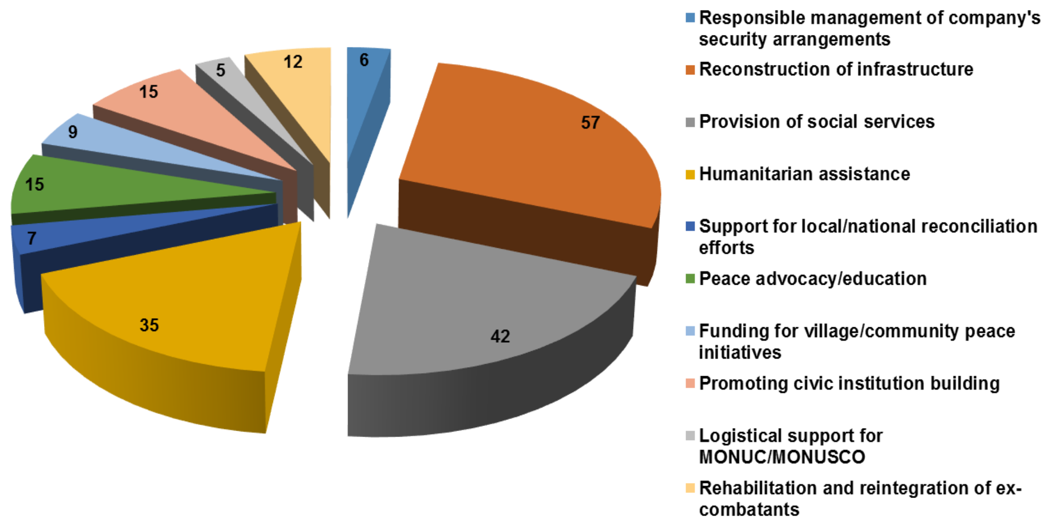


Figure 7.15 above shows – from respondents' perspectives – the peacebuilding roles that corporate actors performed in the DRC. The numerical values in the chart represent the frequencies or the number of occurrences for each role. Respondents cited the reconstruction of infrastructure more than any other role. It had 57 occurrences. The performance of this role by corporate actors has been necessitated by the destruction of the DRC's deficient infrastructure. As was illustrated in the case of Banro Corporation's CSR initiatives,[246] the construction of roads, bridges and health facilities has been a priority area for non-state actors that possess the wherewithal to undertake infrastructure rehabilitation in the DRC.

The provision of social services had the second highest frequency of 42. The government of the DRC has been severely handicapped in terms of the provision of essential social services, especially education and health care. As noted in the discussion of CSR activities by Anglo-American and Banro Corporation, MNCs are stepping into the vacuum created by government incapacity to provide these services in the regions where these companies conduct operations.

[246] See Chapter Six.

Respondents cited humanitarian assistance 35 times, giving it the third highest frequency. As noted in Chapters Five and Six, conflicts in the DRC have displaced thousands of Congolese. This intervention by corporate actors was a direct response to this reality of human displacement. Humanitarian assistance consisted of the provision of food, clothing and other essential supplies to IDPs. It was noted in Chapter Six that the provision of humanitarian assistance by MNCs opens up a vista of corporate behaviour in conflict zones, which extends the frontiers of CSR.

Peace advocacy/education and the promotion of civic institution building were mentioned 15 times. Specifically, Banro Corporation has performed these roles through the curriculum support programme in schools and universities and through vocational training workshops for women and ex-combatants. It is worth noting that peace advocacy and the promotion of civic institution building have not been implemented beyond the parameters of the training programmes for designated groups as stated here. Peace advocacy in particular is crucial within local communities that have been theatres of some of the deadliest clashes between grassroots militias.

Respondents cited the rehabilitation and reintegration of ex-combatants 12 times. This is a vital element in conflict transformation, as it plays a part in changing the disposition of people and diminishing the potential for recourse to violence. Banro Corporation's initiatives in the public sphere have included, albeit on a very small scale, the rehabilitation and reintegration of former child soldiers. In eastern DRC in particular, the lack of tangible progress on the part of MONUC/MONUSCO in the area of disarmament, demobilisation and reintegration has been a serious peacebuilding deficit. In this regard, an interviewee noted that Banro Corporation was doing on a small scale what the UN has largely failed to do in eastern DRC.[247]

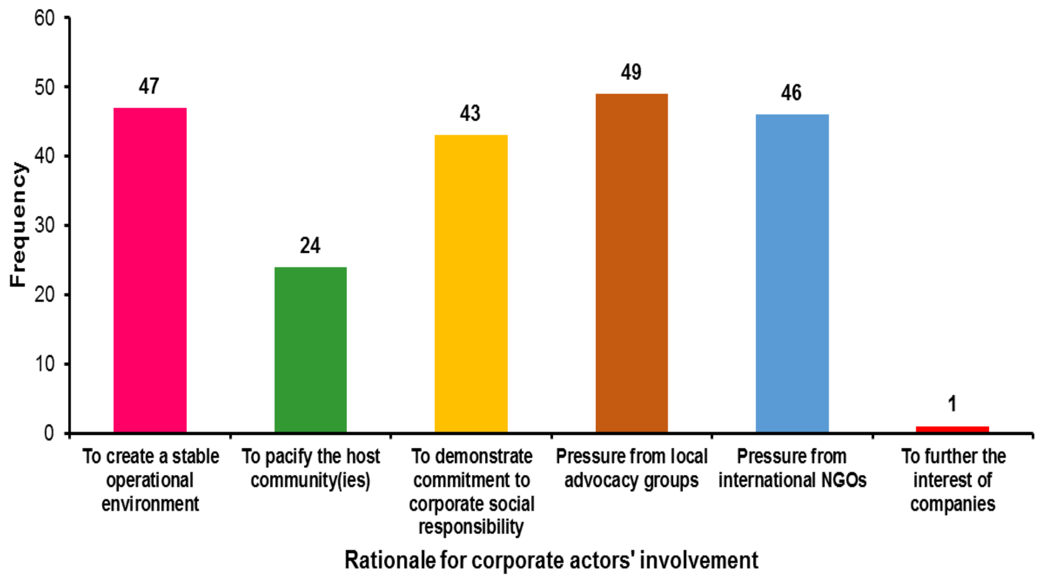
Some respondents identified three forms of corporate support for peacemaking efforts undertaken by other actors. First, financial support for local peace forums (nine occurrences). Second, support for local and national reconciliation efforts (with a frequency of seven). Third, logistical support for MONUC/MONUSCO (cited five times). Some of the study participants noted that *comptoirs* and entrepreneurs that are associated with MNCs have provided financial support towards dialogues at the community level and have collaborated with NGOs in facilitating the participation of individuals in seminars and workshops on issues pertaining to peacebuilding.[248] A respondent noted that corporate actors funded some associations and NGOs so that these entities could conduct their campaigns and implement projects relating to peace.[249]

One interviewee asserted that corporate actors indirectly facilitated MONUC/MONUSCO's operations through the rehabilitation of public infrastructure, which the UN force – like other actors – relies on and uses. Although this interviewee conceded that corporate actors "have not been saintly", he argued that some activities suggest that companies have been "catalysts for peace" in the DRC.[250]

[247] Telephonic interview with a mining consultant (BS) [Bukavu], 02 November 2010.
[248] Interviews with a youth leader (FN) [Lubumbashi], 24 October 2010; with a supervisor in a mineral trading house (EK) [Lubumbashi], 28 October 2010; with a member of the Congo Leadership Initiative (a youth empowerment NGO) [Kinshasa], 06 November 2010.
[249] Respondent Q18.
[250] This interviewee, who spoke glowingly of MNCs and their CSR record in the face of pervasive malfeasance on the part of the Congolese political elite, cautioned: "when you accuse companies of doing bad things, don't forget to talk about the good things they do in [the] Congo". He anchored his argument that corporate actors facilitated MONUC/MONUSCO's operations on an interesting premise, which I shall paraphrase: when companies construct or repair roads and bridges or build community centres, they [the companies] do not prevent MONUC/MONUSCO from using these facilities. Undoubtedly, these facilities provide logistical support for MONUC/MONUSCO in the execution of its mandate (Interview with a former employee of Anvil Mining (EFB) [Lubumbashi], 26 October 2010).

Respondents' articulation of corporate peacebuilding also required the identification of the motivations for the performance of peacebuilding roles by MNCs in the DRC. In other words, why did corporate actors implement these elements of conflict transformation? The chart below indicates the rationale for MNCs' involvement in the peacebuilding process.

Figure 7.16: Rationale for corporate actors' peacebuilding roles



Respondents identified six reasons for the implementation peacebuilding initiatives by corporate actors. Figure 7.16 above shows the reasons and their frequencies. "Pressure from local advocacy groups" had the highest frequency of 49. Respondents were of the view that corporate actors undertook some peacebuilding initiatives in response to pressure from local NGOs. A number of respondents shared the sentiment that the denunciation of companies by local advocacy groups (for the former's complicity in the DRC's conflicts) spawned attempts by corporate actors to undertake social investment, which delivered some public goods.[251]

[251] Respondents Q8, Q9, Q13, Q15, Q18, Q33.

The need to create a stable operational environment had the second highest frequency. Respondents cited this reason 47 times. It was imperative for corporate actors to operate in an environment that was conducive to business. This necessitated the defusing of tensions, the alleviation of suffering and the provision of social services in local communities. Some respondents felt that social investment enabled companies to continue their operations in resource-bearing communities in the aftermath of the opprobrium engendered by the damning UN Panel's reports.[252]

Another rationale for corporate involvement in peacebuilding efforts, from the perspective of respondents, was pressure from international NGOs, which had a frequency of 46. As noted in Chapter Six, advocacy campaigns by organisations such as Enough Project, Global Witness and Oxfam contributed to a shift in corporate behaviour. Using the findings of the UN Panel of Experts and their own research findings as bases for robust advocacy, these organisations tasked MNCs to comply with best practices in their operations in the DRC. Some of the study participants were of the view that MNCs' positive engagement in the public sphere marked a response to international advocacy efforts.[253] A respondent argued that MNCs "were obliged to revise their strategies [in] … operational zones" because of international advocacy against illicit corporate behaviour.[254]

However, some respondents argued that corporate peacebuilding was essentially a reflection of companies' commitment to CSR.[255] In other words, the performance of peacebuilding roles was premised on corporate conviction, rather than an externally driven or imposed imperative. An apparent justification for this viewpoint was that companies had made

[252] Respondents Q11, Q14, Q57, Q93.
[253] Focus group discussion with Congolese expatriates in Pretoria, South Africa, 09 June 2012.
[254] Respondent Q16.
[255] Respondents Q144, Q145, Q148, Q150.

explicit commitments to CSR in their investment profiles and action plans with reference to the DRC. Therefore, companies had simply given practical expression to their professed commitment to CSR by engaging in corporate peacebuilding, which the companies were not under obligation to undertake, according to one interviewee.[256]

According to some respondents, corporate actors performed peacebuilding roles in order to pacify host (that is, resource-bearing) communities. This rationale was cited 24 times. Conflicts in which corporate actors were implicated had produced deleterious consequences, unleashing physical, emotional and social scars in communities. Therefore, it was necessary for corporate actors to ameliorate the suffering in (and in the process pacify) local communities.[257] That some corporate initiatives sought to alleviate the effects of the war on the people underscore this argument. However, as noted earlier, some of the study participants were of the view that no amount of social investment could compensate for the losses that the Congolese and the country had incurred because of the conflicts in which corporate actors have been culpable.

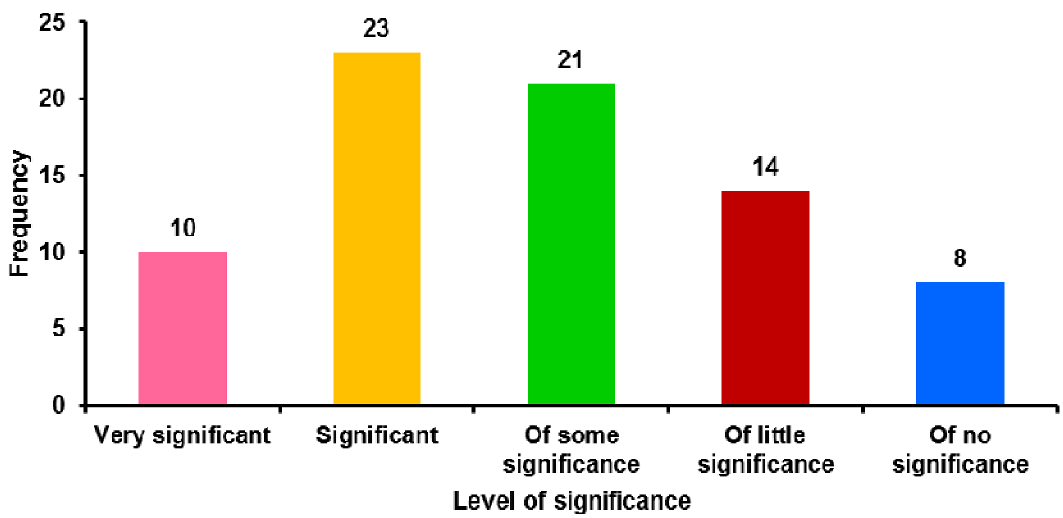
Some respondents felt that the performance of any peacebuilding initiatives served to further the interest of corporate actors, which has been to continue to access the DRC's resources. The argument is that CSR activities were a façade, an attempt to mask the illicit activities undertaken by MNCs. For example, a respondent noted: "They're just hiding their atrocity by giving the so called humanitarian assistance."[258] This argument construes the rationale for

[256] This interviewee felt that other actors could not and should not compel companies to implement CSR activities because companies pay taxes, which the government ought to use to provide the services that other stakeholders expect companies to perform. He extended his argument, querying: "Why must a company provide humanitarian assistance when you have the government, MONUC and many other international agencies in [the] Congo? What are those people doing?" (Interview with a former manager at SOMINKI (SL) [Kinshasa], 06 November 2010).
[257] Respondents Q69, Q71, Q77, Q83, Q90.
[258] Respondent Q25.

corporate peacebuilding (and other interventions in the public sphere) as dictated primarily by corporate interest, defined in terms of the quest for profit more than any other actor's interest or external imperatives.

If corporate complicity had a significant impact on the DRC's conflicts as discussed in the preceding sub-section, it would be reasonable to examine the effect of corporate peacebuilding in the context of the drive towards peace in the DRC. Therefore, this sub-section presents respondents' articulation of the impact or significance of corporate actors' peacebuilding roles. The figure below illustrates this point.

Figure 7.17: Respondents' assessment of the impact of corporate peacebuilding in the DRC



The combined numbers in Figure 7.17 above indicate that 76 respondents offered an assessment of the significance of corporate peacebuilding in the DRC. Of the 76 respondents, 23 (30%) were of the view that the involvement of MNCs in the conflict transformation process was "significant". The second highest number of respondents (21, representing 28%) felt that corporate actors' involvement was "of some significance". In the third highest category (14 respondents, comprising 18%) were those who felt that corporate peacebuilding was "of little significance". Ten respondents (13%) indicated that companies' involvement in the DRC's peacebuilding process was "very significant". Finally, eight respondents (11%) were of the view that corporate actors' peacebuilding roles in the DRC were "of no significance". A cross tabulation of these assessments and respondents' stakeholder affiliation is instructive.

Table 7.3: Cross tabulation of respondents' stakeholder affiliation and assessment of corporate peacebuilding in the DRC

		How would you assess the impact of corporate actors' involvement in the DRC's peacebuilding process?					Total
		Very significant	Significant	Of some significance	Of little significance	Of no significance	
Stakeholder affiliation	Government	0	2	3	1	0	6
	Multinational corporation	**7**	**14**	7	4	0	32
	Civil society	1	2	2	4	4	13
	Academia	2	5	4	4	4	19
	Mass media	0	0	3	0	0	3
	Local community organisation/group	0	0	2	1	0	3
Total		**10**	**23**	21	14	8	76

Table 7.3 above shows that respondents affiliated with MNCs (in comparison to other stakeholders) rated the impact of corporate actors' involvement in the DRC's peacebuilding process highly. Of 10 respondents who rated the impact of corporate peacebuilding as "very significant", seven were affiliated with MNCs. Similarly, of 23 respondents who rated the impact of corporate actors' involvement in the peacebuilding process as "significant", 14 were affiliated to MNCs. This suggests that individuals associated with MNCs viewed the roles of corporate actors as important contributions to conflict reduction and to stimulating positive transformative change in the DRC. Other stakeholders, however, did not feel this way. Some respondents across the stakeholder spectrum provided qualitative responses to

justify their assessment of the impact/significance of corporate peacebuilding as shown in Figure 7.17 above.

Respondents who argued that MNCs' roles were significant in the peacebuilding process pointed to the potential consequences associated with the absence of the services that corporate actors provided. For instance, the provision of humanitarian assistance helped to alleviate the suffering that the war-weary population was experiencing in the conflict zones. Without such assistance, the humanitarian consequences of conflicts could have been more severe, especially where state capacity was weak and international action was lacking. By providing humanitarian assistance, MNCs alleviated human suffering and complemented peacebuilding efforts by other actors.[259]

Furthermore, the involvement of corporate actors in rehabilitation and reintegration of ex-combatants contributed to setting ex-combatants and conflict-ridden areas on a post-conflict trajectory. Generally, ex-combatants constitute a group that, if not managed properly, could easily orchestrate the recurrence of conflict. Therefore, corporate initiatives that sought to rehabilitate and reintegrate ex-combatants through education and vocational training were instrumental to nurturing peace in conflict-prone areas. A respondent argued that the positive outcomes associated with such initiatives make corporate actors' intervention in the conflict zones significant and important.[260]

Respondents who argued that MNCs' actions were not significant viewed corporate initiatives as embodying tokenism. A respondent argued that "even if they [MNCs] do

[259] Respondent Q146.
[260] Respondent Q141.

something it is not proportional enough [sic] with what they take out of the country."[261] Again, the argument here was based on a juxtaposition of what MNCs gained with what the companies gave back to the country and its people. Furthermore, another respondent contended that the activities of other MNCs such as "supporting rebel groups [weakened] the peace process" and obliterated any significance of corporate peacebuilding by a set of companies. In other words, contemporaneous ambivalent corporate behaviour rarely produces positive or transformative change but straddles the negative and the *status quo ante*. As one respondent argued, MNCs "facilitate peace and war at the same time".[262] In the end, they hardly "facilitate anything in the peace process since they play a double game – supporting peace process and supplying weapons to rebel groups."[263]

The foregoing presupposes that the effects of corporate complicity may be so pervasive that beneficiaries and observers perceive corporate peacebuilding as no more than an attempt at doing damage control. Having said that, an objective analysis of corporate behaviour in the DRC suggests that MNCs have been culpable in the country's conflicts just as they (the companies) have performed peacebuilding functions, albeit to varying degrees with reference to the two typologies. In the final analysis, MNCs' actions in the DRC reflect the contradictions associated with corporate behaviour in terms of its ambivalence. What, then, do the study's findings suggest? The next section addresses this question.

7.4 Inferences from research findings and discussion of emerging issues

The review and comparisons of literature, theoretical considerations, paradigmatic perspectives and survey findings presented in this study foreground a number of issues. These include the nexus between natural resources and conflicts, the roles of business in

[261] Respondent Q52.
[262] Respondent Q26.
[263] Respondent Q26.

conflict zones, the peace process mechanism in resource-related conflicts, the character of the Congolese state, the lack of a corporate governance regime, the sub-regional political economy of natural resource exploitation and trafficking, and the role of international actors in natural resource governance.

7.4.1 The nexus between natural resources and conflicts

What emerges from the study is that natural resources, *per se*, do not precipitate conflicts. In other words, the mere presence of natural resources (or natural resource abundance) is not a sufficient (pre-)condition for conflict. Rather, a number of contextual variables interlink with natural resources to influence the trajectories of conflicts. As the study notes, factors such as the characteristics of natural resources (their social construction, geographic distribution, and revenue management system), the role of local, regional and global (profiteering) actors, and state deflation (including its associated variables for example weak state institutions, patronage and corruption) determine the impact(s) that natural resources have on a country (for example, Ross, 1999; 2003).

That said, natural resources are implicated in conflicts in a fundamental way namely, their conflict-financing capacity (Collier and Hoeffler, 2004; Ballentine and Nitzschke, 2005b; Humphreys, 2005b; Stewart, 2011; Rustad and Binningsbø, 2012). Simply put, natural resources provide warring parties with the economic wherewithal to finance conflicts. This context makes the roles of resource-seeking (profiteering) actors – such as MNCs – particularly salient. Additionally, economic resources derivable from natural resources in a conflict setting may induce belligerents to act (and consolidate their positions) as spoilers to peace processes. This point featured prominently in conversations with participants during fieldwork. According to most interviewees, there is no real incentive for some rebel leaders who control mineral sites in eastern DRC to lay down their weapons or join the Kabila government that is barely able to pay salaries. One interviewee noted that the government paid about US$50 per month to junior officers while their counterparts "in the bush" (that is, rebels) earned about US$150.[264] It is instructive to note that rebel groups could implement such "generous" payment structure as they generated revenue from mining activities, lucrative deals with mining companies (and comptoirs – that is, trading houses) and "taxes" levied on resource extractors and traders in the areas controlled by the rebel groups. From this perspective, the natural resource element is a significant factor in the escalation, prolongation and duration of conflicts.

As this study argues, a critical point to note, however, is that the level and intensity of natural resource-related conflict is dependent, not on the possession of natural resources, but on a number of economic and political variables, including the efficiency of the state apparatus for natural resource governance. Empirical analyses show that the relationship between natural resources and conflict is not linear and simple, but indirect and complex. Therefore, this reality underscores a rethink of the resource-conflict argument in particular, and the 'resource curse' thesis in general.

7.4.2 The roles of business in conflict zones

As this this study shows, a number of factors attract companies (especially multinationals) to conflict zones. Of these factors, profit maximisation – a bottomline consideration for all companies – is the foremost driver of investment in conflict areas. As discussed in the study, a company may be entangled in conflict settings in two ways. One, it may have commenced operations in an area prior to the onset of conflict, in which case conflict is subsequent to the

[264] Interview with a military officer, JDM [Kinshasa], 19 October 2010.

investment. In this instance, the company is invariably drawn into a conflict setting. Second, a company may decide to invest in an active conflict zone, in which case the company deliberately immerses itself in a conflict setting. Both cases present companies with choices, challenges and opportunities. Depending on the nature of the industry and the investment profile, companies may choose to exit or remain in conflict zones. Where the decision is to remain, companies face the challenge of responding to the ebbs and flows of conflict in ways that guarantee bottomline considerations and/or minimise reputational risks.

From the study, it is evident that corporate behaviour in conflict zones takes two forms namely, corporate complicity and corporate peacebuilding. A conflict situation, especially where the state apparatus is weak or non-existent may create opportunities for enrichment – a chance that companies may seize in order to maximise profit. As shown in the case of the DRC, this may involve collaboration between companies and government forces, between companies and rebel forces, or between companies and foreign interlopers. Moreover, such collaboration may sustain illicit resource exploitation and trafficking by armed groups and companies. While companies provide belligerents with economic resources and logistical support, armed groups facilitate resource extraction and trade by companies. This setting, which was applicable in the DRC, highlights corporate complicity in conflicts.

By contrast, a conflict situation also gives companies an opportunity to implement conflict-sensitive business strategies. These strategies pertain to the deliberate actions that companies take to prevent or alleviate situations that typically precipitate or exacerbate conflicts. More importantly, conflict-sensitivity should encapsulate corporate actions that nurture or sustain peace. Companies (especially multinationals, which are powerful economic actors) may contribute towards conflict reduction in particular or peacebuilding in general through deliberate programmes of action such as supporting dialogue, disarmament, or infrastructure rehabilitation. Furthermore, economic resources at the disposal of MNCs also enable them to provide humanitarian assistance or support humanitarian efforts in conflict zones. As the study depicts, these actions are consistent with the "business case" of social responsibility. Corporate peacebuilding – an embryonic concept – encompasses the range of strategies through which business contributes to conflict reduction and peace enhancement.

In unpacking the conflict-perpetuating and peacebuilding roles of MNCs in the DRC, the study emphasises the contradictions of corporate behaviour in conflict zones. Research findings suggest that several considerations (vis-à-vis the quest for profit maximisation) underpin the specifics of corporate behaviour in conflict settings. Overall, the dialectics of corporate behaviour in conflict areas underscore a nuanced analysis and understanding of the corporate-conflict link.

7.4.3 The peace process mechanism in resource-related conflicts

A point that flows logically from the discussion above is the significance of the roles of resource-seeking (profiteering) actors in peace processes. Conventional peace processes in Africa and elsewhere often focus exclusively on warring parties. Specifically, mediation efforts or conferences aimed at peaceful settlement of conflicts generally involve armed groups, political actors and civil society. This practice draws from mainstream conflict analyses that focus essentially on political and military actors – agents that are perceived to have a direct bearing on conflict situations. However, non-state actors are known to have indirect but decisive influence on conflicts, which if ignored, may undermine peacebuilding efforts. With regard to resource-related conflicts, for example, the role of economic actors is a decisive element in conflict reduction and the peacebuilding process.

Given the roles of MNCs in the DRC, it is logical to expect the integration of companies into formal efforts to address the country's resource-related traumas. Drawing from the DRC case, this study furnishes important lessons namely, that important and powerful non-state actors influence conflicts in fundamental ways, and that efforts to address such conflicts require more encompassing frameworks that encapsulate (the motivations, strategic interests and roles of) such actors. Concisely, peace process mechanisms that seek to address resource-related conflicts require inclusive stakeholder participation (including businesses).

7.4.4 The character of the Congolese state

The Congolese state (like many of its African counterparts) is a product of exogeneity – Belgian colonialism. This has repercussions for the contemporary state in Africa, which as Englebert (1997: 767-775) observes, is neither African nor a state. The state in Africa is not African because

> [i]t descends from arbitrary colonial administrative units designed as instruments of domination, oppression and exploitation. No doubt after some [50] years of independence these states have been transformed, adopted, adapted, endogenised. Yet, their origin remains exogenous: European, not African, and set up against African societies rather than having evolved out of the relationships of groups and individuals in societies (Englebert, 1997: 767).[265]

The average state in Africa is not a state because it does not meet the criteria or elements of the Weberian definition of a state as "a human community that (successfully) claims the *monopoly of the legitimate use of physical force within a given territory*" (Englebert, 1997: 767) [Emphasis in original]. In this regard, Englebert (1997: 767) contends that

[265] The argument that African states did not evolve from within could also be applied to most Western states (as they were once known).

> in many respects, most African states fail to meet these criteria: theirs is a dubious community of heterogeneous and occasionally clashing linguistic, religious and ethnic identities; their claim to force is rarely effective and much less monopolistic; their frequent predatory nature fails the test of legitimacy; and their territoriality is generally at best hesitant and contested.[266]

Englebert's argument speaks to the very idea of the nature of the state in Africa, which is at the core of most of the challenges confronting the continent. As Englebert (1997: 768) argues, "the numerous instances of state failure in Africa" and "other pathologies derive from the very exogeneity of the state, its lack of embeddedness, its divorce from underlying norms and networks of social organisation." The state in Africa was a product of the colonial enterprise, put together by fiat to satisfy external interests.

Instructively, the states that the immediate post-independence leaders inherited from the colonial leaders retained the main characteristics of the colonial architecture. As Olayode (2005: 4) posits,

> [t]he attainment of independence, however did not fundamentally transform the structure of the African states. The political class that supplanted the colonial officers were committed to the protection of the 'colonial legacy'. The emerging nationalists whose political tutelage was under colonialism continued to operate with a 'bureaucracy trained and tested in the authoritarian habits and practises of the departed colonialists'. The African state thus retained its forceful and authoritarian character.

These observations resonate strongly in the case of the DRC. Put together initially as the personal fiefdom of King Leopold II, the Congolese state has retained the essential character of an extroverted entity, in addition to serving the interest of the local elite. More than that, it

[266] It should be noted that many of these features obtained in many African states (as with European and other states) but not necessarily at the point of achieving independence. If post-independence leaders failed to meet the often inflated aspirations of many of their citizens, and found their leadership challenged because of subnationalist forces funded by external interests, the existence and legality of the states are questioned as though the Westphalian notions of statehood still applies to them or ever actually applied to historical Western states. (I am indebted to my supervisor, Professor Ufo Uzodike, for this point.)

has become almost synonymous with dysfunctionality. Throughout the DRC's history, the nature of the state (as described here) has facilitated the appropriation of the country's wealth, including its natural resources, by a combination of exogenous forces and endogenous comprador elite. For instance, Mobutu Sese Seko's years in power were marked by mismanagement and looting of the country's wealth, which left the people further impoverished. Rather than benefit the people, the country's mineral wealth served Mobutu's and foreign interests, including those of MNCs. A dysfunctional state and the net effect of "Mobutuism" have combined to deprive the Congolese of the benefits of natural resources. Clearly then, as presently constituted, the Congolese state is severely handicapped with respect to mobilising its natural resource abundance for development.

7.4.5 The lack of a corporate governance regime

State inertia and protracted post-colonial traumas have impeded the development a corporate governance regime in the DRC. A corporate governance regime serves two key purposes: to regulate corporate behaviour and to map the relationship between companies and other stakeholders. As discussed (in Chapter Four), countries may adopt the communitarian or contractarian regimes to fulfil these ends. The implication of the absence of a codified regime in the DRC is that the regulation of corporate behaviour is determined by the whims of the country's president or warlords, depending on the forces that control a particular mining area. This state of affairs has abetted unregulated artisanal mining, the illegal exploitation and trafficking of natural resources, and illicit corporate behaviour. Moreover, it has hampered initiatives by civil society at holding companies accountable and responsible. Effective management of natural resources requires an efficacious governance architecture that regulates actors and their operations. A mining code, which the DRC government has been trying to develop, is an essential component in the development of a corporate governance framework.

7.4.6 The sub-regional political economy of natural resource exploitation and trafficking

A number of studies[267] have depicted the role of sub-regional state and non-state actors in the illicit exploitation and trafficking of Congolese natural resources. National armies, the political elite and corporate entities from sub-regional states, especially Rwanda and Uganda, have been implicated in illegal activities in the DRC. Extra-African actors (mainly companies headquartered in the West) have also used the territories of the two countries as a conduit for illicit resource trade. Thus, resource-extracting and resource-trading MNCs have found sub-regional actors to be important 'allies' in the quest to access the DRC's natural wealth. The economic benefits (or 'spoils of war') that powerful sub-regional actors obtained from war-ravaged DRC made the continuation of war an attractive proposition. Additionally, the opportunities for enrichment, which the war economy affords, make sub-regional actors potential spoilers to peace processes. Clearly, beyond the national security concerns of sub-regional states, there are vested economic interests that an unstable DRC serves.

7.4.7 The role of international actors in natural resource governance

As the study demonstrates, the international context is crucial to unpacking aspects of corporate behaviour in the DRC. Important considerations at this level of analysis include the international market for minerals (especially the global supply chain), the roles of MNCs' home governments, the UN and international NGOs. As the study's discussion of coltan connections to the DRC's conflicts shows, the local-global supply chain conceals and

[267] For instance, see Owoeye and Amusan (2000); United Nations Security Council (2001a); Longman (2002); Moyroud and Katunga (2002); Rupiya (2002); Noury (2010); Lalji (2007); Guenther (2008); Cassimon, Engelen and Reyntjens (2013); and Usanov *et al*. (2013).

sustains illicit resource exploitation and trade. Thus, an effective international mechanism to address supply chain issues is required.

Beyond positive rhetoric, home governments have been unwilling or unable to take firm action against MNCs implicated in illegal behaviour in the DRC. Although initiatives such as the *OECD Guidelines for Multinational Enterprises* and the Dodd-Frank Wall Street Reform and Consumer Protection Act (in the United States) seek to stimulate responsible corporate behaviour, there has been a lack of political commitment in Western capitals to enforce compliance and to hold companies accountable for actions in conflict zones in the DRC. However, the work of the UN Panel of Experts and the advocacy efforts of international NGOs stemmed the tide of illegal behaviour on the part of MNCs while compelling other profiteering networks to seek 'ingenious' ways of concealing their illicit activities in the DRC. As the study shows, international pressure on MNCs to observe conflict-sensitive business practices has given fillip to the idea of corporate peacebuilding, an imperative that broadens and extends the frontiers of CSR.

Arising from the imperative referred to above, this study addresses its final key question: based on research findings, what conclusions do MNCs' roles in the DRC engender regarding the perils and promise of corporate peacebuilding?

7.5 Looking forward: does corporate peacebuilding mainstreaming hold any promise?

Research findings with reference to corporate behaviour in the DRC suggest that corporate actors have played significant roles in the country. This study shows that MNCs' roles in the country demonstrated the ambivalence of corporate behaviour in conflict zones. Having discussed the specific roles of MNCs in the DRC and the rationale for such roles from the perspective of respondents, a number of policy and practical issues arising from research findings are worth noting. These issues are of significance for corporate behaviour in particular and corporate governance in general in a post-conflict DRC. This section presents a prognosis – a brief analytical projection informed by the trends in corporate behaviour in the DRC.

As this study has shown, corporate complicity in the DRC's conflicts had ramifications for MNCs and other actors, including the Congolese state. Specifically, corporate complicity attracted international opprobrium and damaged the reputation of MNCs implicated in the DRC's conflicts. The extent of the reputational harm done to companies could be seen in the cynical stance of the majority of the study participants regarding corporate peacebuilding. Nevertheless, MNCs have played significant roles in the public sphere, especially in the implementation of traditional CSR activities such as the provision of social services and infrastructure rehabilitation. That said, corporate conflict transformation initiatives have been implemented (expediently and haphazardly) as part of pragmatic responses to situations in conflict zones. However, as the discussion in Chapter Four showed, conflict transformation is a systematic, planned, methodical and inter-stakeholder conflict intervention strategy. This point highlights a key issue arising from the trend of corporate peacebuilding in the DRC.

Congolese need to see corporate actions in support of conflict transformation for what it really is – corporate peacebuilding. For this to happen, MNCs will have to formulate and implement their actions in ways that do not conflate the actions with traditional CSR activities (which – ordinarily – are executed in the absence of conflict). As noted already, corporate peacebuilding shifts and deepens CSR. Crucially, corporate conflict peacebuilding requires inter-stakeholder participation and engagement from project conception through implementation to evaluation. It is evident from research findings that this has been lacking in the DRC. MNCs' peacebuilding roles risk being undermined, and unrecognised, without the requisite buy-in from other stakeholders.

Furthermore, for corporate peacebuilding to be effective, companies need to address the reputational harm arising from complicity in conflicts. Some respondents were of the view that it is difficult to trust corporate actors or to accept help from them when these actors have not accepted responsibility for their actions in the communities.[268] Therefore, a pivotal consideration in this regard is the (re)building of trust in and with communities and other stakeholders. It is unlikely that communities will acknowledge or appreciate corporate peacebuilding where there are unresolved issues associated with the complicity of companies in the DRC's conflicts.

Another risk to corporate peacebuilding is the palpable contradiction between a company's everyday actions and interventions in the public sphere. For instance, a company that has the reputation for using military force (for example, the army or rebels) to suppress dissent in its operational areas may find that its implementation of peacebuilding initiatives may be construed by other stakeholders as duplicitous. The case of Anvil Mining, which came to the fore during fieldwork, illustrates this point and underscores the need to anchor corporate peacebuilding on best practices.[269] A mismatch between routine corporate actions and

[268] Respondents Q49, Q73.

[269] A number of the study participants referred to Anvil Mining's record of enlisting the support of security forces to quell peaceful demonstrations against what participants referred to as the negative effects of the company's operations. Participants were quick to use Anvil Mining's reputation in this regard to dismiss any CSR initiatives by the company (Interviews with a youth leader (FN) [Lubumbashi], 24 October 2010; with the executive director of a civil society organisation (BK) [Lubumbashi], 25 October 2010; Respondents Q32, Q61).

interventions in the public sphere (no matter how well intentioned or their magnitude) is a risk factor that undermines corporate peacebuilding.

It is apt to state that addressing these risk factors (which imperil corporate peacebuilding) is not the sole responsibility of companies. As this study shows, other stakeholders as well as variables at the local, national and international levels shape corporate behaviour. Therefore, it is necessary for all stakeholders to create an ambience that is conducive to nurturing corporate peacebuilding. Fundamental to this is the lessening of conflicts, especially in eastern DRC. The role of the government and MONUSCO in this regard cannot be overemphasized, as they bear primary responsibility for guaranteeing security and stability, which are *sine qua non* for post-conflict peacebuilding. To strive towards effective corporate peacebuilding in the absence of these prerequisites is illusory. The potential salient contributions that other stakeholders could make towards effective corporate peacebuilding suggest that MNCs have to recognise the utility of stakeholder involvement and partnerships to the DRC's reconstruction. This underscores the need for complementarity of initiatives by corporate actors and other stakeholders.

In terms of prognostication, there is reason to be cautiously optimistic about the possibility of effective corporate peacebuilding in the DRC. Corporate actors have already conducted a number of interventions typically associated with conflict transformation. The formal end to conflicts, progress in the implementation of MONUSCO's mandate in eastern DRC and sustained domestic and international scrutiny of MNCs' operations are important variables that should bolster corporate peacebuilding. It is on this cautiously optimistic note that this chapter concludes its presentation and analysis of research findings on corporate behaviour in the DRC.

7.6 Conclusion

This chapter presented and analysed research findings on MNCs and conflict transformation in the DRC. It explicated the data collected during fieldwork, providing insights into the broader contextual analysis in Chapter Six. The presentation and analysis in this chapter framed corporate actions from the perspectives of the study participants, against the backdrop of the main trends in corporate behaviour in conflict zones.

The second section of this chapter presented an overview of the methodology and data obtained from the study areas. It dealt specifically with the statistical presentation of data obtained through 150 questionnaires completed by individuals in the DRC. The section presented a number of variables pertaining to the 150 respondents to the questionnaire. These variables included the respondents' stakeholder affiliation, location/region in the DRC and awareness of MNCs' activities in the DRC. It was noted in the section that these variables were crucial to discerning the knowledge base of respondents vis-à-vis the subject matter of this study. In addition, these variables were useful indices in the cross tabulations that offered some insights into the data obtained from the study's location.

The third section, which had two sub-sections, presented and analysed research findings on MNCs in the DRC in the context of the ambivalent character of corporate behaviour. Logical deductions were made from the data to explicate the typologies of corporate behaviour namely, MNCs' complicity in conflicts and their peacebuilding initiatives in the DRC. The section also discussed the rationale for MNCs' roles as articulated by respondents in a way that underscored the motivations for corporate behaviour under each typology. As noted, research findings suggested that MNCs were involved in the DRC's conflicts and in the conflict transformation/peacebuilding process.

The fourth section discussed the issues that emerged from the review of literature, theoretical frameworks, paradigmatic perspectives and survey findings. In view of the stultifying effects that MNCs' complicity in conflicts have had on corporate peacebuilding, the fifth section – a prognosis – discussed the perils and promise of corporate peacebuilding. It was noted that certain variables imperilled effective corporate peacebuilding. In addition, it was emphasized that effective corporate peacebuilding is dependent on addressing the systemic and relational factors that imperil MNCs' efforts. The section concluded that effective corporate peacebuilding is possible in the DRC, subject to the *proviso* that all stakeholders address systemic and relational impediments in a complementary fashion. Next, Chapter Eight presents a summary of the study and policy recommendations against the backdrop of the study's findings.

CHAPTER EIGHT

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

8.1 Summary of findings

This study is interdisciplinary in nature. Its contextual elements straddle the disciplines of international relations (specifically the sub-field of international political economy) and conflict transformation and peace studies. The study interrogated the connections of powerful transnational economic actors to conflict dynamics in resource-rich but conflict-prone environments. Its primary unit of analysis, from an actor perspective, are *MNCs* – powerful economic non-state actors that Chandler and Mazlish (2005) refer to as "leviathans". Its focal point of analysis in the domain of conflict analysis is *conflict transformation*. Broadly speaking, this study has examined the intricate relationship between international business and conflict. Specifically, it investigated the roles of MNCs in conflict zones, using the DRC as a case study. In terms of methodology, the empirical nature of this study necessitated a combination of research methods and approaches. Therefore, it adopted historical, qualitative and quantitative approaches to the explication of the subject matter of the research.

Chapter One was a primer, an introduction to the study. Its presentation of the background to the study foregrounded the research problem. It also identified the research task and outlined the study's hypothesis. The chapter presented the research objectives and corresponding research questions. Furthermore, Chapter One delineated the study's scope and limitations. It highlighted the significance of the study, followed by a brief statement of the research methodology and research design. The chapter also noted that an empirical study of this nature is bound to grapple with certain methodological and practical limitations, which the chapter identified. A section of Chapter One was devoted to the clarification of the key concepts that underpinned the study's thematic concern. The chapter concluded with a description of the structure of the study.

Chapter Two – a review and comparison of relevant literature – interrogated the interface between natural resources and conflict. The analysis of the resource-conflict nexus was done with a view to advancing a nuanced understanding of the role of natural resources in conflicts. Furthermore, the discussion of the resource-conflict link provided a context in which the connections between business and conflict could be located. Using the 'resource curse' thesis as the focal point of analysis, Chapter Two examined the debate about the nexus between natural resources and conflict. It was noted that although the literature contains narratives that either corroborate or disprove the 'resource curse' thesis, the relationship between natural resources and conflict is not linear and direct but complex and indirect. This is because natural resource endowment, *per se*, does not engender development pathologies or precipitate conflict.

Through a review and comparison of relevant literature, Chapter Two highlighted the intervening variables in the resource-conflict link. Crucially, the chapter showed that a number of intervening variables associated with natural resources and resource-bearing territories (communities and/or countries) combine with social, economic and political factors to precipitate, exacerbate and perpetuate conflicts. In other words, these variables intertwine with natural resources to produce conflict dynamics, such as conflict onset, duration, intensity and perpetuation. In its explication of these variables, Chapter Two emphasized the need for a nuanced understanding of the link between natural resources and conflicts, which also provides a framework for unpacking the roles of resource-seeking and profiteering actors (such as MNCs) in resource-rich but conflict-prone environments.

Having discussed how state and non-state actors and variables interact with natural resources to shape conflict dynamics in Chapter Two, Chapter Three presented theoretical and analytical perspectives on MNCs in conflict zones. The chapter examined relevant paradigms (or schools of thought) and the theories and arguments (pertaining to MNCs) associated with paradigmatic perspectives. The analysis of related sub-themes in the chapter sought to provide a panoramic framework that lends itself to understanding corporate behaviour in the public sphere in general and in conflict zones in particular. The chapter's interrogation of the liberal and radical paradigms on MNCs foregrounded the contending views vis-à-vis the impacts of MNCs' activities in host environments, especially in the LDCs. It was noted that the liberal and radical schools advance different premises that lead to apparently incommensurate conclusions on the effects on MNCs' operations on host states. The liberal school contends that MNCs make important contributions to LDCs and therefore are "benign engines of prosperity" (Stopford, 1998-1999: 12). By contrast, the radical school argues that MNCs' activities undermine state sovereignty and produce pernicious effects in LDCs and as such, these powerful economic actors impede autochthonous development. However, the chapter noted that the performance of CSR activities by MNCs underscore aspects of the liberal argument, while corporate complicity in conflicts lends credence to facets of the radical school's arguments. It therefore is evident that the two paradigms are not necessarily or inevitably incommensurate since neither provides a definitive worldview. Rather, each represents an aspect of reality.

An examination of the liberal and radical paradigms provided a useful backdrop for the analysis of "good" and "bad" corporate behaviour in Chapter Three. As the discussion highlighted, the performance of CSR activities by companies exemplify an aspect of "good" corporate behaviour. It was noted that although the concept of CSR is plagued by definitional imprecision, cynicism and rejection, it has remained resilient on the analytical and practical planes. Importantly, MNCs (and business in general) continue to profess commitment to CSR. Moreover, civil society (at national and international levels) is increasingly championing adherence to CSR principles by corporate actors, especially in volatile environments. Chapter Three emphasized that although the profit-seeking motive may propel companies towards illicit tendencies, CSR serves as a compass that underscores ethical behaviour.

The significance of CSR lies in its utility as a tool, a yardstick that is used to evaluate corporate behaviour, primarily in terms of actions that cohere with or detract from CSR principles. In this regard, stakeholders generally censure (or seek accountability/responsibility for) corporate actions that detract from CSR principles. This is most applicable when companies are implicated in conflicts. However, as discussed in Chapter Three (and highlighted in other chapters), MNCs' complicity in conflicts is one dimension of corporate behaviour. The other facet of corporate behaviour pertains to the involvement of companies in activities that seek to transform conflicts or facilitate peacebuilding. In its explication of corporate behaviour in conflict zones, the chapter highlighted the fact that such behaviour is characterised by ambivalence. The chapter's empirical analysis of the corporate-conflict dynamic underscored the point that the discourse on the roles of MNCs in conflict environments (and by extension in the public sphere) should be anchored on an awareness of the dialectics of corporate behaviour.

In conflict situations, interactions of actors and processes produce conflict dynamics, or ebbs and flows, which shape the trajectory of conflict and the prospects for peace. The concept of conflict transformation, which is often used interchangeably with peacebuilding, encapsulates these postulations on conflict. Chapter Four examined the theory of conflict transformation in view of the fact that resource-related conflicts (like all conflicts) are characterised by several ebbs and flows and that resource-extracting and mineral-trading actors often shape such conflict dynamics. In the context of this study, profiteering networks, MNCs in particular, are important actors that influence the dialectics of resource-related conflicts. Chapter Four underscored the point that conflict transformation is useful to unpacking the conflict-perpetuating and peacebuilding roles of MNCs in conflict zones. As noted, such roles significantly influence the trajectory of conflicts.

While corporate behaviour shapes conflict dynamics in host environments, the corporate governance regime in host countries – among other factors – influences corporate behaviour itself. In line with this realisation, Chapter Four analysed the dominant corporate governance regime types namely the *contractarian* and *communitarian* paradigms. The interrogation of the paradigms showed that the adoption of one or the other by a host government determines the extent to which MNCs could be held accountable and/or responsible for their activities in the public sphere. It was noted that while the contractarian paradigm views the corporation essentially as “a private actor” that is accountable only to shareholders, the communitarian school regards the corporation as “a complex social institution” that is accountable to other stakeholders (Amao, 2007: 313, 315). As Chapter Four highlighted, this binary (that is, the private-public distinction) is fraught with practical implications. On one hand, a contractarian corporate governance regime could undermine the legitimate claims/concerns of other stakeholders, especially when the actions of MNCs produce deleterious social impacts. On the other hand, a communitarian governance regime could violate the rights of companies as legal entities or “corporate citizens”.

In order to address the drawbacks associated with the bifurcation alluded to above, this study – in Chapter Four – synthesized aspects of the contractarian and communitarian paradigms. In doing so, the study argues for a nuanced conception of the corporation as any of the following: a private agent, a public actor, a private agent with public roles, and a public actor with private roles. As argued in Chapter Four, this perception of corporations allows for a holistic understanding of the activities of MNCs in the social context, such as in a conflict situation whereby corporate behaviour influences and is influenced by other stakeholders.

In view of the centrality of other actors and their activities in shaping corporate behaviour in conflict zones, the study adopted the stakeholder approach in its explication of MNCs' activities in the DRC's conflicts and peacebuilding process. Chapter Four unpacked the stakeholder theory as well as its utility to the study, based on the premise that shareholders, employees, governments, armed groups (government forces and rebels), resource-bearing communities, and intervenors shape corporate behaviour in conflict zones. The chapter concluded by arguing that the stakeholder theory's emphasis on the local context in which corporations operate is germane to understanding the strategic behaviours of MNCs in zones of conflict.

The analysis of the resource-conflict nexus (in Chapter Two) provided the background and context for the examination of the interface of natural resources and conflicts in the DRC in Chapter Five. In this chapter, the study undertook a detailed depiction of the DRC's economy, geopolitics and history. It was noted that certain tangible attributes or elements of power underscore the country's strategic significance. These include its territory, topography and most importantly, immense natural resource endowment. This enormous mineral wealth earned the country the appellation of *scandale géologique* (that is, geological scandal). As noted in the chapter, the DRC is home to "no less than eighty-seven different types of minerals" Lemarchand (2009: ix). What gives the country strategic significance, however, is not the sheer number (or staggering amount) of natural resources but the DRC's considerable share of world's reserves and the high quality of the minerals. The discussion in Chapter Five showed that the DRC (arguably the richest country on earth in terms of natural resource endowment) possesses crucial tangible elements of power that potentially stimulate socio-economic development.

However, the DRC's history and contemporary situation depict a paradox. A study of DR Congo's history reveals a litany of woes: exploitative colonial experience, post-independence political instability, government inertia, endemic corruption and poor natural resource governance. Systematic pillaging of the country's natural wealth were hallmarks of its pre-colonial and post-colonial epochs. Hence, natural resource abundance has not stimulated development; rather, it has been a factor in the country's post-colonial traumas. The allure of the DRC's resources has made the country susceptible to, and a victim of, domestic insurrection, foreign aggression/military intervention and protracted conflicts. Hence, for an overwhelming majority of Congolese, the country's abundance of natural resources has brought poverty, disease, violence and suffering. This, according to Nzongola-Ntalaja (1998: i. d.), is the "real scandal", which Chapter Five unpacked with reference to an alternate conception of *scandale géologique*. No phenomenon illustrates this alternate conception of *scandale géologique* more profoundly than the imbrication of natural resources in the DRC's conflicts.

Therefore, Chapter Five examined natural resource links to the First and Second Congo Wars. With reference to the *First Congo War* (1996-1997), the AFDL rebel group and its foreign backers targeted resource-rich areas in the offensive against Mobutu Sese Seko. Once the rebels captured a mineral-rich zone, they became "de facto" governors and concluded lucrative mining deals with MNCs through which the rebels were able to finance the rebellion. The resource dimensions of conflict were even more pronounced during the *Second Congo War* (1998-2003), during which national armies, militias and corporate actors plundered the country's mineral wealth on a grand scale. The period witnessed the illicit exploitation and trafficking of natural resources such as cobalt, coltan, copper, diamonds, gold and tin by both state and non-state actors.

In particular, coltan exploitation and trade (stimulated by unprecedented international demand and the boom in the electronics/hi-tech industry) created a war economy that brought the conflict-financing capacity of natural resources to the fore. MNCs were integral participants in this war economy, which was sustained by a local-global supply chain. In addition, the nature of the local-global supply chain and the absence of an international regime to regulate coltan trade aided MNCs' complicity in the DRC's conflicts. Chapter Five emphasized that the economic incentives that armies, rebels and profiteering networks obtained from "conflict minerals" provided little or no incentive for ending the conflicts in the DRC. In this way, DR Congo's resources have been a formidable factor in conflict perpetuation.

In Chapter Six, the study provided broad explications of corporate behaviour in the DRC. It examined the activities of selected mineral-prospecting and resource-trading MNCs in the study's locale. The chapter presented the profiles of MNCs with reference to their home countries, their main activities in the minerals sector and connections to the DRC. MNCs' connections to DR Congo's minerals (through either exploitation or trade) became highly controversial in view of the role played by natural resources in conflicts. The involvement of several actors (including MNCs) in the illegal exploitation and trafficking of the DRC's natural resources prompted the UN to establish a Panel of Experts to investigate the resource dimensions of the conflicts. As noted, reports of the UN Panel revealed the complicity of corporate actors in the plunder of the DRC's mineral wealth. The reports elicited strong reactions from indicted and (reputedly) aggrieved actors, leading to subsequent consultations and dialogue between the Panel and the affected parties. While the consultations and dialogue led to the resolution of some of the issues raised by the actors, the work of the UN Panel brought elements of corporate actors' complicity in the DRC's conflicts to the fore.

However, the discussion in Chapter Six showed that the involvement of MNCs in the DRC's conflicts was one facet of corporate behaviour. The other facet revealed an aspect of "good" behaviour in a "bad" environment, that is, the implementation of CSR initiatives in a volatile, conflict-ridden space. The chapter noted that CSR activities by Anglo-American PLC and Banro Corporation illustrated MNCs' potential and actual peacebuilding capabilities. In addition, it highlighted the point that MNCs' interventions in the public sphere in this regard have focused largely on traditional CSR projects (mainly infrastructure rehabilitation and social service delivery). Importantly, drawing from empirical evidence, the chapter argues that corporate peacebuilding was in its embryonic stages.

As discussed in Chapter Six, research findings indicate the saliency of social responsibility initiatives undertaken by MNCs in the DRC. It was shown that some of the initiatives have been geared towards creating a peaceful and stable environment. These initiatives are essential aspects of corporate peacebuilding – an emerging construct in conflict analysis. The chapter argued that although peace-enhancing initiatives by MNCs constitute a dimension of social responsibility, they do not fall strictly within the purview of traditional notion of CSR. In this sense, corporate peacebuilding transforms the concept of CSR. Crucially, the formal end to conflicts and the Congolese government's adoption of the "*cinq chantiers*" [five pillars] for social and economic reconstruction offer MNCs ample space and opportunities to implement programmes in support of post-conflict peacebuilding.

Chapter Six analysed the operational contexts that underpinned the contradictions of corporate behaviour in the DRC. The chapter undertook this analysis in light of the study's hypothesis, which states that *the interplay of corporate objectives and the operational context (that is, the local, national and international environments) underpin the strategic behaviour of a multinational corporation*. As discussed, contextual factors and interactive clusters of actors (which this study refers to as stakeholders) at three levels of analysis – local, national and international – influenced MNCs' activities in support of conflict or contribution towards positive transformative change. It was argued that understanding the context in which MNCs operated was pivotal to unpacking corporate behaviour, especially in terms of its ambivalence.

Chapter Seven undertook a statistical presentation and analysis of data on MNCs' connections to conflicts and peacebuilding in the DRC. The chapter examined the *specific* roles of MNCs in the DRC's conflicts and peacebuilding process, thereby illuminating the *broad* explication of corporate behaviour (undertaken in Chapter Six). This was done through the presentation and analysis of the data obtained during fieldwork in the DRC. Research data revealed ambivalent corporate behaviour, that is, corporate actors' complicity in conflicts as well the MNCs' implementation of initiatives geared towards positive/transformative change.

MNCs' actions, which typified corporate complicity in conflict, included the illicit exploitation of minerals, trading in conflict minerals and providing financial and logistical support for belligerents. From respondents' perspectives, these actions portrayed MNCs as "corporate marauders". Research findings suggested that the involvement of companies in the DRC's conflicts exacerbated and prolonged conflicts, thereby having a significant impact on conflict dynamics. For instance, it was noted that the economic spoils that MNCs and other actors reaped from conflicts underpinned conflict perpetuation but provided little or no incentive for actors to seek peace.

Nonetheless, research findings indicated that MNCs were involved in activities that exemplified elements of conflict transformation/peacebuilding. As noted in this study,[270] the conflict transformation theory underscores provision of humanitarian assistance during conflict situations. In addition, it emphasises infrastructure reconstruction, peace advocacy/education and the rehabilitation and reintegration of ex-combatants as crucial processes in a typical post-conflict epoch. MNCs' implementation of these peacebuilding initiatives stood in stark contrast to corporate complicity in conflicts. From the perspectives of respondents, the involvement of companies in activities aimed at facilitating peace and positive transformative change depicted MNCs as "catalysts for peace".

The chapter drew inferences from research findings and discussed emerging issues, highlighting the lessons learnt from this study on MNCs and conflicts in the DRC. Key

[270] See Chapter Four.

issues that have significance for the research hypothesis and research questions included the nexus between natural resources and conflicts, the roles of business in conflict zones, and the peace process mechanism in resource-related conflicts, the character of the Congolese state. Other issues discussed were the lack of a corporate governance regime, the sub-regional political economy of natural resource exploitation and trafficking, and the role of international actors in natural resource governance.

Chapter Seven also emphasised the point that the involvement of corporate actors in the DRC's conflicts and their implementation of peacebuilding initiatives highlighted the dialectics of corporate behaviour. It was also noted that the complicity of MNCs in conflicts undermined corporate peacebuilding. In view of this, Chapter Seven undertook a prognostication of corporate behaviour in the DRC. Based on research findings and the operational contexts of MNCs, the chapter concluded with deductions on the possibilities and challenges of mainstreaming corporate peacebuilding into natural resource governance in the DRC.

The chapter's analytical projection of corporate peacebuilding, drawing from historical and contemporary trends, suggested that a number of factors potentially jeopardise MNCs' abilities to implement effective peacebuilding programmes. It was pointed out that a post-conflict DRC offers considerable promise for effective corporate peacebuilding. However, the chapter presented a caveat: the success of corporate initiatives aimed at facilitating reconstruction, peace and development in the DRC depends largely on the extent to which stakeholders address the substantive (that is, systemic and institutional) factors that potentially imperil effective post-conflict peacebuilding. Drawing from the study's findings as outlined here, the next section presents key logical conclusions, which may provide the bedrock for future research into the corporate-conflict nexus and corporate peacebuilding in conflict zones.

8.2 Concluding remarks

This study has explored the intricate nexus between natural resources and conflict. Using a triangulation (natural resources, profit and peace), it interrogated the connections of profit-seeking mineral-prospecting and resource-trading actors to conflict dynamics. This triangulation underscored the political economy of natural resources, which foregrounds the linkages between minerals, business and politics. Specifically, this study examined the linkages with reference to the involvement of profiteering networks (that is, mineral-prospecting and resource-trading MNCs) in conflict settings. An examination of the linkages suggested that the profit motive propels MNCs into resource-rich environments, including conflict-prone areas. Furthermore, in conflict zones, the profit maximisation rationale combines with other variables to determine the behaviour of MNCs in two fundamental ways: whether to get involved in conflict-sustaining activities or to facilitate the search for peace. Thus, the key point of the triangulation is that MNCs in the minerals sector, whose investment in conflict zones is underpinned by profit maximisation, typically undertake activities that shape conflict dynamics and the prospects for peace.

The study applied this triangulation to the DRC, a country that is arguably the richest on earth in terms of natural resource endowment but plagued by protracted conflicts in which natural resources have been implicated. This study pointed out that a determining factor in a resource-seeking corporate actor's decision to invest in a country is the availability of natural resources in commercial quantities. Therefore, the DRC's natural resource abundance and the high quality of its resources have been a source of strong attraction for MNCs. It is also instructive to note that investing in volatile regions exposes MNCs to risks and vulnerabilities, including the possibility of being implicated in processes that sustain or entrench volatility. This point applies in the case of the DRC, as this study shows. Given the intractable resource-related conflicts in the DRC, MNCs have been entangled – directly and indirectly – in conflict-sustaining activities, thereby bringing corporate complicity to the fore. Nonetheless, a conflict situation offers MNCs an opportunity to support conflict transformation, thereby distinguishing themselves as "good" corporate citizens. This is especially the case in the context of state deflation and/or government inertia. As powerful economic actors (with robust "financial muscle"), MNCs in the DRC have implemented CSR activities in support of peacebuilding, especially where the government's incapacity has been evident. In this way, MNCs' involvement in the public sphere gives practical expression to the "peace" component of the triangulation that this study adopts.

Based on the outline above in respect of MNCs' involvement in the DRC, this study makes the following specific conclusions with reference to the salient aspects of the research.

- With regard to the research hypothesis – namely, that the interplay of corporate objectives and the local, national and international environments underpin the strategic behaviour of multinational corporations in conflict zones, – research findings suggest that MNCs are motivated by the goal of profit maximisation, which underscores the decision to invest and conduct operations in foreign environments. As the case study illustrates, such foreign environments may be volatile, unstable, conflict-prone or conflict-ridden. In this regard, MNC investment may predate or be subsequent to the onset of conflict. Where the investment predates conflict, an MNC is faced with the decision to "exit" or "remain" in the conflict zone. Instructively, the decision to exit or remain in a conflict zone is based on a cost-benefit analysis associated with either course of action. Of course, the decision is influenced by a combination of factors: the nature of the investment (that is the MNC's industry), the level of volatility, the ability of the corporation to divest and the availability of alternate sources of production. Generally, it is easier to divest in the case of labour intensive industries in which the main resources are highly lootable. In the case of resource-extracting and capital intensive investment, a few alternate sources of minerals, and where resources have little or no lootability, MNCs generally remain in conflict zones. The decision to remain in a conflict zone presents a choice scenario namely, the form that corporate behaviour should take. In this regard, an MNC is confronted with a range of options: to become complicit in conflict; to "do no harm"; or to undertake corporate peacebuilding. Whatever the form that corporate behaviour takes in this situation, this study showed that it is informed by a combination of internal (company) dynamics and the predisposing or countervailing variables at the local, national and international levels.

Therefore, although complex, corporate behaviour – whether in the form of complicity in conflict or the facilitation of conflict transformation – is contextual and should be understood and analysed from this prism. Thus, research findings confirm the study's hypothesis.

- With regard to the first research question – that is, the context-specific factors that undergirded the strategic behaviour of MNCs in the DRC's conflict zones – this study shows that at the local level, volatility (conflicts) in resource-bearing communities, the presence and activities of armed groups, and a large pool of unskilled but artisanal miners shaped the behaviour of resource-extracting and mineral-trading MNCs. At the national level, the absence of state authority in resource-bearing areas, porous borders, corruption, poor/weak economic governance, the lack of a national regulatory framework (that is, a mining code) and warlord politics enabled corporate complicity in conflicts. On the other hand, the retooling of state authority (especially the revitalisation of the national army), the national reconciliation process and the activities of domestic NGOs created an ambience that was conducive to corporate peacebuilding. At the international level, the demand for the DRC's resources, the absence of an international regime (specifically to regulate coltan trade) and the involvement of intervenors (especially neighbouring countries) aided corporate complicity in the DRC's conflicts. On the contrary, corporate peacebuilding has been undergirded by variables such as UN intervention (for example, the activities of the UN Panel of Experts and MONUC/MONUSCO) and advocacy by international NGOs. What conclusion do these variables furnish?

Actors and phenomena at the three concentric spheres combine with the profit-making rationale to provide a holistic explanation for the specificities of corporate behaviour in conflict zones. Therefore, an examination of these variables is *sine qua non* for a nuanced understanding of the strategic behaviour of MNCs in conflict zones.

- In answering the second research question (regarding the roles of MNCs in the DRC's conflicts and peacebuilding process), the study shows that corporate actors undertook activities that exacerbated and prolonged conflicts and hindered initiatives aimed at conflict transformation in the DRC. The roles of companies in the DRC's conflicts and in the peacebuilding process demonstrated the complexities of corporate behaviour.

Thus, the study concludes that is no simple answer to the above question, given that in conflict zones, MNCs can be parties in conflict even as they can be agents of peace.

- The third research question pertains to the impacts of corporate behaviour on the DRC's peace and conflict transformation process. This study bears out the significance of corporate actors in resource-related conflicts. Evidently, the pursuit and realisation of the political objectives of belligerents hinged largely on the roles of corporate actors – the purveyors of economic capital required to prosecute war efforts. Moreover, the involvement of MNCs shaped conflicts in fundamental ways, especially in terms of their intensity, technological sophistication, longevity and the prospects for their attenuation. Research findings suggest that MNCs' impact on the DRC's conflicts was significant, contributing to conflict perpetuation. Clearly, the economic spoils of the DRC's conflicts, which the activities of MNCs brought to the fore, constituted a disincentive to peace. Yet, equally significant was the involvement of MNCs in the conflict transformation process. In the absence of state intervention, MNCs' peacebuilding initiatives provided not only the means through which people in conflict zones could adjust to conflict but also the platform to build peace and reconstruct the DRC.

State deflation or government inertia gives MNCs (and other non-state actors) comparative advantage in the public sphere, thus making their activities – whether positive or negative – extremely significant. As powerful economic actors, MNCs exert decisive influence on political and economic dynamics in host environments, especially in the LDCs.

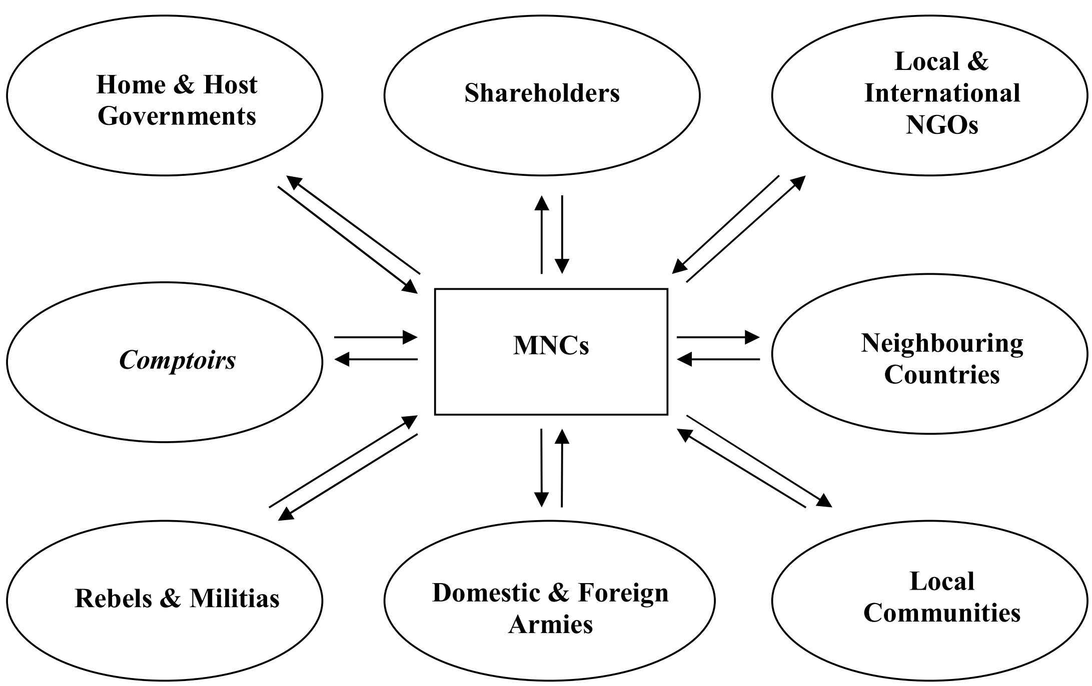
- With regard to the fourth (and final) research question (regarding the conclusions that MNCs' roles in the DRC's public sphere engender regarding the perils and promise of corporate peacebuilding especially in the emerging post-conflict epoch), it is instructive to note that corporate peacebuilding is a relatively new phenomenon. Although an embryonic concept, corporate peacebuilding deepens and shifts the frontiers of CSR. It also emphasises the important contributions that powerful non-state actors can make towards building and nurturing peace in societies plagued by conflicts. In this way, corporate peacebuilding is of practical and analytical significance. On the practical plane, it complements state and intergovernmental capacities in conflict transformation. At the level of analysis, it presupposes the rethinking of the conventional conflict analysis paradigms (which focus essentially on warring parties) and the formal governmental peace process frameworks (that emphasise the role of state actors). Such analytical introspection calls for the interrogation and understanding of contemporary conflicts through more encompassing frameworks that encapsulate the motivations, strategic interests and roles of important and powerful non-state actors in conflict and peacebuilding processes.

As actors with enormous influence in host environments, MNCs have the potentialities to make significant contributions to peace, development and prosperity of their host communities and countries. At this juncture in the concluding remarks, the study observes that there is a need to mainstream corporate peacebuilding into

MNCs' activities in conflict zones in order to engender political stability, which is necessary for business success in the long-term.

A further conclusion can be drawn with reference to the study's theoretical framework – the stakeholder theory of the corporation. It is noteworthy that other actors such as MNCs' home and host governments, domestic and foreign armies, rebels, militias, comptoirs, the media, local and international NGOs, and the UN – in varying degrees – influence the activities of corporate actors in the DRC, and vice versa. The interactive cluster of actors, based on extrapolations from the stakeholder theory and applied to the DRC's conflict zones, is represented diagrammatically thus:

Figure 8.1: Cluster of actors in the DRC's conflict zones (an adaptation from the stakeholder theory)



Source: Researcher's adaptation of the stakeholder theory.

Figure 8.1 above shows that a number of actors in conflict zones influence the behaviour of MNCs within conflict zones, and vice versa. It is instructive to note that the direction and level of influence are a function of the objectives of each actor at any specific time. In addition, such objectives may be complementary or mutually exclusive, depending on the configuration of actors and the issues at stake. Whatever the case may be, the seminal point is that other actors (state and non-state alike) may influence corporate behaviour as much as MNCs may influence these actors. In other words, the relationship between MNCs and other actors in conflict zones is multi-faceted – not unidirectional.

The thesis therefore concludes that an analysis of corporate behaviour in conflict zones should take cognisance of the roles and impacts of other actors in producing specific outcomes that define the trajectory of conflicts and peacebuilding processes.

A final observation focuses on the study's interrogation of MNCs' involvement in the DRC's public sphere – an interrogation which highlights a number of challenges that relate to peace, reconstruction and development in Africa's geographically second largest country. The study has demonstrated that governance deficit, corruption, lack of mining sector reform, lack of sub-regional cooperation on natural resource governance issues and the absence of an international mechanism to regulate coltan trade pose significant risks to peace and stability in the DRC. Therefore, addressing these systemic challenges is germane to harnessing the benefits of natural resource abundance and emplacing peace and development in the country. The next section, which rounds off this thesis on MNCs and conflict transformation in the DRC, makes recommendations that address these challenges.

8.3 Recommendations

Drawing from research findings, and based on the imperative of addressing aforementioned systemic challenges, this study makes the following policy recommendations.

8.3.1 The incontrovertible centrality of state restructuring/reconstruction

As this study notes, the DRC's current traumas have their roots partly in the country's chequered history. One of the emerging issues discussed in relation to research findings in Chapter Seven is the character of the Congolese state. The state (like many of its African counterparts) is a product of exogeneity – Belgian colonialism – and as such, its capacity to engineer autochthonous development was sabotaged by its origins. It was noted that, as presently constituted, the Congolese state is severely encumbered with respect to mobilising its natural resource wealth for development. This author believes that central to ensuring that natural resources benefit the country and its people is the restructuring of the state to make it people-oriented and developmental.[271] A developmental state, *ipso facto*, will be in a position to mitigate some of the contradictions that have fuelled conflicts and sustained development pathologies in the DRC. More importantly, this fundamental restructuring of the state will create the ambience for good natural resource governance and resource-driven development. As Adejumobi (2000: 10) argues, such a state should be able to

> facilitate rapid process of capital accumulation and industrialisation, while not compromising the goal of social welfare for the people. Such a state must possess two features. It must have relative autonomy, so that it is able to act independently

[271] In making this recommendation, this author acknowledges that African states do not have the luxury of relatively isolated development and disinterested neighbours, which obtained for many Western states. Rather, most have been forced to operate in a highly conditioned and parasitical global and local environment in which they are bit players. Lacking effective governance and managerial capacity, as compared to other interested external actors (Western states and MNCs), they have had to rely on the same hostile and parasitical forces to navigate the treacherous global and local terrain around them. Not surprisingly, their territories become susceptible to a range of dysfunctions often authored and nurtured by the same interested external actors whose fortunes are more enhanced by a weak state rather than a strong state. In some ways, this explains the plight of many African states such as the DRC.

> of contending social forces, and also must enjoy legitimacy. The latter implies the democratic content of such state.[272]

8.3.2 The imperative of good political and economic governance

The DRC's political landscape has been characterised by "Mobutuism": maladministration, corruption, neopatrimonialism and nepotism. These "Mobutuist" tendencies have been a factor in the mismanagement of the DRC's natural resources and, perhaps more profoundly, have fostered alienation, frustration, aggression and conflicts in the country. They have been responsible for the overall poor political and economic governance in the country that is reflected, for instance, in the lack of openness and transparency in the mining sector. A case, which proves the endemic nature of corruption in the mining sector, is instructive. In the early 2000s, the World Bank (working in conjunction with the Congolese government) tried to register all concessionary deals in the bid to reform the mining sector in DRC. However, the "World Bank's mining registry project became so corrupt that it had to be suspended after one year, and it did not reopen for another year in an effort to fix the corruption" (Church, 2005: i. d.). It was discovered that mining concessions had been granted to companies without recourse to established procedures and government officials had connived with foreign business to deny the country much needed mineral revenue, prompting the description of DR Congo's mining sector as "a disaster" (Church, 2005: i. d.).

Obviously, corruption in the mining sector has served the interests of a labyrinthine but rapacious cartel or network comprising the elite, regional and extra-regional governments and MNCs whose overriding objective has been to plunder the DRC's resources for private gain.

[272] Adejumobi's point about legitimacy is crucial. Precisely, this feature – legitimacy – is often at the heart of many contemporary problems in Africa. It is often too easy for the state rulers to find themselves falling short as forces allied against them use a range of cleavages – ethnicity, religion, and region – to mount separate claims for control and authority. The fires and associated tensions are often stoked by interested external and local actors whose aspirations for wealth and/or power can only be achieved (in the short term) in a weak state or conflict environment.

Endemic corruption has aided and abetted the illicit exploitation of natural resources and mineral trafficking which, in turn, have contributed significantly to conflict perpetuation in the DRC. Undoubtedly, poor political and economic governance have underpinned the "curse of natural resources" that hangs over the country.

In view of the above, it is recommended that mining sector reform should be anchored firmly on good political and economic governance, with strong emphasis on anti-corruption, transparency in the extractive industry, and environmental sustainability. Good political governance consists of the promotion of democratic ethos (including popular political participation), respect for the rule of law and the sustenance of accountable, responsible and responsive effective public institutions, and credible political leadership, all of which have been lacking in the DRC.[273] Good economic governance includes the implementation of credible and predictable economic policies, sound and transparent financial management, and effective anti-corruption mechanisms. These measures will curb corruption, which has contributed to the illegal exploitation of natural resources.[274] Moreover, a stable and predictable political and macro-economic environment in the DRC will ensure the security of investment by corporate actors, thereby curtailing illicit corporate behaviour.

Good economic governance should be accompanied by mining sector reform, especially in relation to natural resource governance. At the level of the informal economy, such reform should seek to formalise and streamline ASM to ensure that it does not feed into illicit local-global supply chains for minerals. A plausible approach is to organise artisanal miners into

---

[273] With regard to this point, there is need to realise that most African states have been incapable of that kind of focussed and committed leadership due to distractive and interested forces that are quick to remove non-compliant leaders (whose policies are aligned with the interests of their citizens).

[274] It is instructive to note that the African Union, through its African Peer Review Mechanism (APRM), acknowledges the indispensability of good political and economic governance to national and continental development. However, whether this acknowledgement/rhetoric finds expression in practice remains a moot question.

co-operatives and for the *Ministère des Mines* (Ministry of Mines) to register the co-operatives and their economic partners. In this way, it will be easy to monitor transactions between artisanal miners (that is, co-operatives) and resource traders (*comptoirs*).

At the level of the formal economy, elements of communitarianism offer an ideal opportunity for responsible management of the DRC's mineral wealth, as they will enhance transparency and stakeholder participation in mineral exploration and exploitation as well as in the determination of the distribution of mineral revenue. In addition, communitarianism will ensure that corporations are accountable and responsible since it, *ab initio*, underscores the societal roles of corporate actors. Importantly, it will boost stakeholders' ability to seek redress over corporate actions. The adoption of the communitarian corporate governance framework will contribute towards the creation and sustenance of a people-centred mining sector that rectifies current challenges and ultimately stimulates national development.

8.3.3 Building a sub-regional mechanism for combating illicit resource exploitation and trafficking

As this study has shown, illicit natural resource exploitation and mineral trafficking have been crucial factors in conflict perpetuation in the DRC. It can be argued that no other variables highlight the resource dimensions of the DRC's conflicts more than these two. This study also notes that neighbouring countries, primarily Burundi, Rwanda and Uganda, had facilitated the illegal exploitation and trafficking of DR Congo's resources. Neighbouring countries were important channels/conduits in the local-global supply chain for minerals extracted in the DRC's conflict zones. *Comptoirs* and MNCs had to rely on individuals and businesses in these countries to get minerals to international markets. Therefore, efforts at combating illicit mineral-related activities that have sustained conflicts must transcend DR

Congo's national borders. Such efforts must address the (role of) actors at the sub-regional and global levels.

In view of the foregoing, this study recommends the emplacement of a sub-regional mechanism (in Africa's Great Lakes Region and in Central Africa) to combat illicit resource exploitation and trafficking.[275] Such a mechanism should track the exploitation and movement of minerals in addition to the monitoring of the activities of *comptoirs* and MNCs within the sub-region. A sub-regional body, such as SADC, is most suited to coordinate this task, which requires multilateral co-operation amongst states in the sub-region.[276] Interestingly, there is an attempt by states in the sub-region to implement this measure. A sub-regional organisation, the ICGLR, has designed a mineral tracking and certification scheme with four components:

(i) "mine inspections and traceability", which will help to determine whether minerals are "conflict free" or not;

(ii) "information database", which is expected to enable inspectors to crosscheck information on minerals;

(iii) "audits", which will be conducted by independent parties (comprising companies, states and NGOs) to determine compliance with the scheme;

(iv) "independent monitoring", which will address issues relating to trafficking or smuggling, ensuring transparency and imposing sanctions on offenders (Hall and Lezhnev, 2013: 1-2).[277]

---

[275] This recommendation is equally applicable in other parts of Africa where the same situations or challenges are known to occur, for example, in Nigeria (with regard to oil bunkering), Cameroon and Gabon (timber).

[276] The two main sub-regional groupings in Central Africa that can coordinate such efforts are the International Conference on the Great Lakes Region (ICGLR) and the Economic Community of Central African States (ECCAS).

[277] The ICGLR's mineral tracking and certification scheme focuses specifically on a few core natural resources such as cassiterite, coltan, gold and wolframite.

This study, while acknowledging that this mechanism is being developed by the ICGLR, recommends that the mechanism should have "supranational" attributes in the form of provisions that:

(i) inherently compel member states and corporate actors to comply with such provisions; and

(ii) prescribe sanctions that can be invoked "automatically" in the cases of violations or non-compliance.

Without these provisions to give teeth to the mechanism, it will suffer the same fate as other ineffectual sub-regional and regional protocols, which remained mere aspirations.

Moreover, in order for the ICGLR's mechanism to be effective, member states will not only have to adopt and ratify the scheme but also demonstrate the necessary political will to implement its provisions to the letter. In addition, an effective sub-regional mechanism to combat illicit mineral exploitation and trafficking should be "domesticated", that is, incorporated into national legislations across the sub-region to bolster enforcement at the national level. The proposal here is to have sub-regional tools that function in ways similar to protocols that guide member states of the European Union. Granted, this idea may be unattractive or unattainable for sub-regional states in the short or medium term (in view of its ramifications for the virtually sacrosanct idea of sovereignty). Nonetheless, this study contends that only this level of commitment to implementing the sub-regional mechanism can serve as a bulwark against illicit mineral exploitation and trafficking, which has been a factor in the DRC's conflicts.

8.3.4 Crafting an effective international certification scheme to regulate coltan exploitation and trade

The mineral that has had the most decisive impact in terms of conflict perpetuation in the DRC is coltan.[278] As noted in this study, the local-global supply chain for coltan concealed the source of the mineral, thereby inducing and sustaining illicit exploitation and trafficking. Another factor that this study isolated as contributing to the imbrication of coltan in the DRC's conflicts is the absence of an international regime to regulate coltan trade. While there exists an international mechanism to regulate the trade in diamonds (that is, the KPCS), there is none to regulate coltan. A number of implications are associated with the absence of an international regime on coltan. For instance, there has been no restraint on corporate actors' involvement in illicit exploitation and trade – activities which are conducted often with impunity. In addition, it has been difficult to establish illegality in the local-global supply chain. Importantly, stakeholders have been deprived the much-needed and clearly stipulated index for holding resource-extracting and mineral trading MNCs accountable and responsible for illicit activities.

In view of the implications outlined above, this study recommends the creation of an international mechanism to regulate coltan trade. The international regime may be modelled after the KPCS with variations to ensure its effectiveness. Compliance with the mechanism should be obligatory for parties involved in coltan production and/or trade. More importantly, the regime should provide for the enforcement of its provisions, especially those that relate to transactions in the international market (usually far away from the origins of minerals). A plausible approach towards ensuring compliance and enforcement is to expand the role of the International Criminal Police Organization (known as Interpol in popular

[278] See Chapter Five.

parlance) to handle cases of illicit activities that are beyond national jurisdictions. While conceding that an international regime – in or by itself – does not prevent or eliminate illicit behaviour, this study argues that halting impunity and rampant illegality must begin with the establishment of clear codes of conduct for actors involved in coltan exploitation and trade. Such codes of conduct should not only seek to curb illicit behaviour but also provide a roadmap for best practices by corporate actors and other parties involved in the mineral sector. Although this recommendation pertains to coltan (in view of its unique treatment in this study), it can be extended to other "conflict minerals".

8.3.5 Developing a Pan-African regime for regulating corporate behaviour

As noted in this study, MNCs are powerful economic actors whose activities have decisive impacts on host LDCs, especially resource-rich but weak, fragile or conflict-prone countries. In Africa, the contexts of state fragility and state deflation make it extremely difficult for host governments to regulate corporate behaviour. As the DRC case study suggests, such contexts are characterised by challenges vis-à-vis developing the human capital and regulatory/institutional frameworks for regulating MNCs. Generally, weak mechanisms (or absence of mechanisms) create opportunities for inordinate enrichment of MNCs and other actors while minimising the gains that affected resource-rich countries derive from natural resources and/or foreign investment. This scenario, which benefits external actors (that is, MNCs and their home countries through capital flight) but deepens development pathologies in host countries, is commonplace in Africa's weak and fragile states. The limited capacity of weak and fragile states necessitates a collaborative and concerted effort to assist such states to develop and implement appropriate mechanisms to regulate corporate behaviour.

Therefore, this study recommends the development of a Pan-African regime for regulating corporate behaviour. This continent-wide instrument, which can be modelled after charters developed by the African Union (AU), should map out broad expectations, requirements and standards of corporate behaviour while allowing for national variations to cater to country-specific contexts.[279] An "African Charter on Corporate Governance", which speaks specifically to the relationship between MNCs and host countries, should bolster national capacities and efforts to not only rein in illicit corporate behaviour but also provide continent-wide basis for promoting best practices by MNCs. This recommendation and the possibility of its implementation are not farfetched in view of the novel attempt to develop an AU-sanctioned Africa Mining Vision, which seeks to enhance the benefits that African countries derive from natural resources.

This study contends that a Pan-African regime that provides broad parameters for the regulation of corporate behaviour can also be mobilised to restrain state and non-state actors from supporting MNCs that are involved in illicit activities in resource-rich conflict zones. On a positive note, such a regional instrument can not only provide roadmaps for win-win relationships between MNCs and host countries, but also popular participation in natural resource governance and efficient management of mineral revenues for the benefit of the people who are the end of development. It is likely that such a regional approach will benefit resource-rich countries that are plagued by, or recovering from, conflict such as the DRC. In the final analysis, this study's recommendations suggest that a combination of national,

[279] The potency of this recommendation can be explained with reference to the fact that similar arrangements have been emplaced at the regional level to assist African countries with governance areas that still pose significant challenges. For instance, the African Charter on Democracy, Elections and Governance and the African Charter on Human and Peoples' Rights are instructive in this regard. It should be stated, however, that there are lingering issues and problems regarding national commitments to, or even deviation from, these protocols. Having said that, a Pan-African instrument to regulate corporate behaviour provides an enabling context for regional cooperation and multilateral assistance on economic governance issues that states may not be able to address effectively on their own.

regional and international efforts will ensure that natural resource abundance ceases to be a "curse", but a boon for the DRC and other African countries.

BIBLIOGRAPHY

Books, journal articles and internet documents

Abereijo, I. O. and Ilori, Matthew O., 2012. "Technological Spillovers from Multinational Companies to Small and Medium Food Companies in Nigeria". In: H. Sun (ed.), *Management of Technological Innovation in Developing and Developed Countries*. Rijeka: InTech, pp. 183-214.

Adejumobi, S., 2000. "Between Democracy and Development in Africa: What Are the Missing Links?" Paper Presented to the World Bank Conference on "Development Thinking in the Next Millennium", Paris, 26-28 June.

AfDB/OECD, 2007. *African Economic Outlook*. Addis Ababa: United Nations Economic Commission for Africa.

Afoaku, O., 2002. "Congo's Rebels: Their Origins, Motivations, and Strategies". In: J. F. Clark (ed.), *African Stakes of the Congo War*. New York: Palgrave Macmillan, pp. 109-128.

Africana.com, n. d. "Congo, Democratic Republic of the, or Congo Kinshasa". Available at: <http://www.africana.com/congodr/history.html> [Accessed 20 September 2005].

Aggestam, K., 1999. *Reframing and Resolving Conflict: Israeli-Palestinian Negotiations, 1988-1998*. Lund: Lund University Press.

Ake, C., 1996. *Democracy and Development in Africa*. Washington, DC: Brookings Institution.

Alao, A., 2007. *Natural Resources and Conflict in Africa: The Tragedy of Endowment*. New York: University of Rochester Press.

Altheide, D., 1996. *Qualitative media analysis*. Thousand Oaks, CA: Sage.

Amao, O. O., 2007. "Reconstructing the role of the Corporation: Multinational Corporations as Public Actors in Nigeria". *Dublin University Law Journal*, 29, pp. 312-340.

AMC Group, n. d. “Welcome to AMC”. Available at: <http://www.amcgroup.com> [Accessed 27 April 2012].

Amnesty International, 2003. *Democratic Republic of Congo: Our brothers who help kill us – economic exploitation and human rights abuses in the east*. AI Index AFR 62/010/2003. Available at: <http://web.amnesty.org/library/pdf/AFR620102003ENGLISH/$File/AFR6201003.pdf> [Accessed 11 November 2005].

Anglo-American, 2013a. “At a glance”. Available at: <http://www.angloamerican.com/about/ataglance.aspx> [Accessed 24 August 2013].

Anglo-American, 2013b. “Working in partnership for better health in the DRC”. Available at: <http://www.angloamerican.com/development/case-studies/safety-and-health/drc-health-centre.aspx> [Accessed 24 August 2013].

Anstey, M., 1993. *Practical Peacemaking: A Mediator’s Handbook*. Kenwyn, Cape Town: Juta.

Anvil Mining, 2011. “About us”. Available at: <http://www.anvilmining.com> [Accessed 23 August 2011].

Assefa, H., 1993. *Peace and Reconciliation as a Paradigm: A Philosophy of Peace and Its Implications on Conflict, Governance, and Economic Growth in Africa*. Nairobi: Nairobi Peace Initiative.

Atkinson, G. and Hamilton, K., 2003. “Savings, Growth and the Resource Curse Hypothesis”. *World Development*, 31(11), pp. 1793-1807.

Autesserre, S., 2010. *The Trouble with the Congo: Local Violence and the Failure of International Peacebuilding*. New York: Cambridge University Press.

Autesserre, S., 2012. “Dangerous Tales: Dominant Narratives on the Congo and their Unintended Consequences”. *African Affairs*, 111(443), pp. 202-222.

Auty, R. M., 1993. *Sustaining Development in Mineral Economies: The resource curse thesis*. London: Routledge.

Auty, R. M, 2004. "Natural Resources and Civil Strife: A Two-Stage Process". *Geopolitics*, 9(1), pp. 29-49.

Auvinen, J. and Kivimaki, T., 1996. *Conflict Transformation in South Africa*. Helsinki: University of Helsinki.

Babatunde, A., 2010. "Environmental Conflict and the Politics of Oil in the Oil-Bearing Areas of Nigeria's Niger Delta". *Peace and Conflict Review*, 5(1), pp. 1-13.

Balassa, B., 1980. *The Process of Industrial Development and Alternative Development Strategies*. Princeton: Princeton University.

Ballentine, K. and Nitzschke, H., 2005a. *The Political Economy of Civil War and Conflict Transformation*. Berlin: Berghof Research Center for Constructive Conflict Management.

Ballentine, K. and Nitzschke, H., 2005b. "Introduction". In: K. Ballentine and H. Nitzschke (eds), *Profiting from Peace: Managing the Resource Dimensions of Civil War*. Boulder, CO: Lynne Rienner Publishers, pp. 1-24.

Ballentine, K. and Sherman, J., 2003. (eds), *The Political Economy of Armed Conflict: Beyond Greed and Grievance*. Boulder, CO: Lynne Rienner Publishers.

Banfield, J., Haufler, V. and Lilly, D., 2003. *Transnational Corporations in Conflict Prone Zones: Public Policy Responses and a Framework for Action*. London: International Alert.

Bannon, I. and Collier, P., 2003. "Natural Resources and Conflict: What We Can Do". In: I. Bannon and P. Collier (eds), *Natural Resources and Violent Conflict: Options and Actions*. Washington, DC: World Bank, pp. 1-16.

Banro Corporation, 2012. “Banro Invests Significantly to Improve Educational Opportunities in DR Congo”. 05 July. Available at: <http://news.banro.com/press-releases/banro-invests-significantly-to-improve-educational-tsx-baa-201207050803414001> [Accessed 02 September 2012].

Banro Corporation, 2013a. “Corporate Social Responsibility”. Available at: <www.banro.com/s/CorporateResponsibility.asp?numCols=1&page=0> [Accessed 24 August 2013].

Banro Corporation, 2013b. “Job Creation and Community Development Highlight Banro’s 2013 Sustainability Report”. 24 April. Available at: <http://news.banro.com/press-releases/job-creation-and-community-development-highlight-b-tsx-baa-201304240868050001> [Accessed 24 August 2013].

Banro Corporation, n. d[a]. “Corporate Profile”. Available at: <http://www.banro.com/s/CorporateInfo.asp> [Accessed 24 August 2013].

Banro Corporation, n. d[b]. “Company Overview”. Available at: <http://www.banro.com/s/Home.asp> [Accessed 24 August 2013].

Barradas, S., 2011. “Africa rich with mineral resources, projects prosper”. 04 November. Available at: <http://www.miningweekly.com/article/africa-rich-with-mineral-resources-projects-prosper-2011-11-04> [Accessed 27 April 2012].

Basedau, M., 2005. *Context Matters – Rethinking the Resource Curse in Sub-Saharan Africa*. Hamburg: Institute of African Affairs, German Overseas Institute.

Bastidas, E. P. and Gonzalez, C. A., 2008. “Social Cartography as a Tool for Conflict Analysis and Resolution: The Experience of the Afro-Colombian Community of Robles”. *Peace and Conflict Studies*, 15(2), pp. 1-14.

Bavier, J., 2007. (2007). “Congo war-driven crisis kills 45,000 a month: study”, *Reuters*, 22 January. Available at: <http://www.reuters.com/article/worldNews/idUSL2280201220080122>. [Accessed 25 March 2011].

BBC (British Broadcasting Corporation), 2010. “DR Congo bans mining in eastern provinces”. 11 September. Available at: <http://www.bbc.co.uk/news/world-africa-11269360> [Accessed 11 September 2010].

BBC (British Broadcasting Corporation), 2012. “Explore DR Congo in maps and graphs”. 27 November 2012. Available at: <http://www.bbc.co.uk/news/world-africa-15722799> [Accessed 04 November 2013].

BBC (British Broadcasting Corporation), 2013. “Democratic Republic of Congo profile”. Available at: <http://www.bbc.co.uk/news/world-africa-13286306> [Accessed 23 August 2013].

Bennett, J., 2002. “Multinational Corporations, Social Responsibility and Conflict”. *Journal of International Affairs*, 55(2), pp. 393-410.

Berman, J., 2000. “Boardrooms and Bombs: Strategies of Multinational Corporations in Conflict Areas”. *Harvard International Review*, 22(3), pp. 28-32.

Bieri, F., 2010. *From Blood Diamonds to the Kimberly Process: How NGOs Cleaned Up the Global Diamond Industry*. Farnham: Ashgate Publishing.

Blomström, M. and Kokko, A., 1998. “Multinational Corporations and Spillovers”. *Journal of Economic Surveys*, 12(2), pp. 1-31.

Bloomfield, D. and Reilly, B., 1998. “The Changing Nature of Conflict and Conflict Management”. In: P. Harris and B. Reilly (eds), *Democracy and Deep-Rooted Conflict: Options for Negotiators*. Stockholm: Institute for Democracy and Electoral Assistance, pp. 7-28.

Boshoff, H. and Rupiya, M., 2004. “Delegates, Dialogue and Desperadoes: The ICD and the DRC peace process”. *African Security Review*, 12(3), pp. 29-37.

Botes, J., 2003. “Conflict Transformation: A Debate over Semantics or a Crucial Shift in the Theory and Practice of Peace and Conflict Studies?” *International Journal of Peace Studies*, 8(2), pp. 1-27. Available at: <http://www.gmu.edu/programs/icar/ijps/vol8_2/botes.htm> [Accessed 08 February 2012].

Braeckman, C., 1999. “Carve-up in the Congo: Partition Poses as Protection”. *Le Monde Diplomatique*, October. Available at: <http://mondediplo.com/1999/10/08congo> [Accessed 21 March 2011].

Brunnschweiler, C. N. and Bulte, E. H., 2008. “The resource curse revisited and revised: A tale of paradoxes and red herrings”. *Journal of Environmental Economics and Management*, 55(3), pp. 248-264.

Buckley, P. J. and Casson, M. C., 1976. *The Future of the Multinational Enterprise*. London: The Macmillan Press.

Buhaug, H. and Gates, S., 2002. “The Geography of Civil War”. *Journal of Peace Research*, 39(4), pp. 417-433.

Bulte, E. H. and Brunnschweiler, C. N., 2012. “The on-going debate on natural resources and development”. 28 May. Available at: <http://www.voxeu.org/article/institutional-reform-and-so-called-resource-curse> [Accessed 01 July 2012].

Burton, J., 1988. “Conflict resolution as a political system”. *Center for Conflict Analysis and Resolution Working Paper 1*. Virginia: George Mason University.

Burton, J., 1991. “Conflict Resolution as a Political System”. In: V. Volkan, D. A. Julius, and J. V. Montville (eds), *The Psychodynamics of International Relationships: Unofficial Diplomacy at Work*. Lexington, MA: Lexington Books, pp. 71-92.

Bush, R. and Folger, J., 1994. *The Promise of Mediation: Responding to Conflict through Empowerment and Recognition*. San Francisco: Jossey-Bass Inc., Publishers.

Busha, C. and Harter, P., 1980. *Research methods in librarianship: techniques and interpretation*. New York: Academic Press.

Business Week, 2012. "Company Overview of Adastra Minerals Inc". Available at: <http://investing.businessweek.com/research/stocks/private/snapshot.asp?privcapid=876401> [Accessed 27 April 2012].

Cabot Corporation, 2012. *Cabot Corporation 2012 Annual Report*. Available at: <http://www.cabot-corp.com/wcm/download/en-us/unknown/2012%20Cabot%20Corp%20Annual%20Report.pdf> [Accessed 24 August 2013].

Campbell, A., 2002. *The Private Sector and Conflict Prevention Mainstreaming: Risk Analysis and Conflict Impact Assessment Tools for Multinational Corporations*. Carleton: Country Indicators for Foreign Policy.

Caroll, R., 2002. "Multinationals in Scramble for Congo's Wealth". *The Guardian* (UK), 22 October.

Carroll, A. B., 1979. "A three-dimensional conceptual model of corporate performance". *Academy of Management Journal*, 4(4), pp. 497-505.

Cassimon, D., Engelen, P. J. and Reyntjens, F., 2013, "Rwanda's involvement in Eastern DRC: A criminal real options approach". *Crime, Law, and Social Change*, 59, pp. 39-62.

Cavalcanti, T., Mohaddes, K. and Raissi, M., 2011. "Does oil abundance harm growth?" *Applied Economics Letters*, 18(12), pp. 1181-1184.

Chadwick, J., 2007. “Banro – punching well above its weight for a gold explorer”. Available at: <http://www.mineweb.com/mineweb/content/en/mineweb-gold-news?oid=39910&sn=Detail> [Accessed 24 November 2013].

Chandler, A. D. Jr. and Mazlish, B. (eds), 2005. *Leviathans: Multinational Corporations and the New Global History*. Cambridge: Cambridge University Press.

Church, W., 2005. “DRC mining sector a disaster”. *The Newtimes online edition*, 29 November. Available at: <http://www.ipisresearch.be/publications_detail.php?id=122&lang=en> [Accessed 24 April 2009].

CIA (Central Intelligence Agency), 2013. “Congo, Democratic Republic of the”. *The World Factbook*. Available at: <https://www.cia.gov/library/publications/the-world-factbook/geos/cg.html> [Accessed 23 August 2013].

Clark, J. F., 2002. “Introduction: Causes and Consequences of the Congo War”. In: J. F. Clark (ed.), *African Stakes of the Congo War*. New York: Palgrave Macmillan, pp. 1-10.

Coghlan, B., Brennan, R., Ngoy, P., Dofara, D., Otto, B. and Stewart, T., 2004. *Mortality in the Democratic Republic of Congo: results from a nationwide survey*. New York: International Rescue Committee.

Collier, P. and Hoeffler, A., 1998. “On Economic Causes of Civil War”. *Oxford Economic Papers*, 50(4), pp. 563-573.

Collier, P. and Hoeffler, A., 2001. *Greed and Grievance in Civil War*. Washington, DC: World Bank.

Collier, P. and Hoeffler, A., 2002. *The Political Economy of Secession*. Washington, DC: Development Research Group, World Bank.

Collier, P. and Hoeffler, A., 2004. “Greed and Grievance in Civil War”. *Oxford Economic Papers*, 56(4), pp. 563-595.

Collier, P. and Hoeffler, A., 2005. “Resource Rents, Governance, and Conflict”. *Journal of Conflict Resolution*, 49(4), pp. 625-633.

Connolly, N., 2012. “Corporate social responsibility: a duplicitous distraction”. *The International Journal of Human Rights*, 16(8), pp. 1228-1249.

De Soysa, I., 2000. “The Resource Curse: Are Civil Wars Driven by Rapacity or Paucity?”. In: M. R. Berdal and D. M. Malone (eds), *Greed and Grievance: Economic Agendas in Civil Wars*. Boulder, CO: Lynne Reiner, pp. 113-135.

De Soysa, I., 2002. “Paradise Is a Bazaar? Greed, Creed, and Governance in Civil War, 1989-99”. *Journal of Peace Research*, 39(4), pp. 395-416.

DeLancey, M. W. and DeLancey, M. D., 2000. *Historical Dictionary of the Republic of Cameroon*. 3rd edition. Lanham, Maryland: The Scarecrow Press.

Denzin, N. K. and Lincoln, Y. S., 2000. “Introduction: The discipline and practice of qualitative research”. In: N. K. Denzin and Y. S. Lincoln (eds), *Handbook of qualitative research*. 2nd edition. Thousand Oaks, CA: Sage, pp. 1-28.

Des Forges, A., 1999. *Leave None to Tell the Story: Genocide in Rwanda*. New York: Human Rights Watch.

Diamond, L., 1994. “The Global Imperative: Building a Democratic World Order”. *Current History*, 93(579), pp. 1-7.

Dizolele, M. P., 2007. “In Search of Congo’s Coltan”. Available at: <http://pambazuka.org/en/category/features/42959> [Accessed 21 March 2011].

Dobrai, K., Farkas, F., Karoliny, Z. and Poór, J., 2012. “Knowledge Transfer in Multinational Companies – Evidence from Hungary”. *Acta Polytechnica Hungarica*, 9(3), pp. 149-161.

Domegan, C. and Fleming, D., 2007. *Marketing Research in Ireland: Theory and Practice*. 3rd edition. Dublin: Gill and Macmillan.

Donaldson, T. and Preston, L. E., 1995. "The Stakeholder Theory of the Corporation: Concepts, Evidence and Implications". *The Academy of Management Review*, 20(1), pp. 65-91.

Dougherty, J. E. and Pfaltzgraff R. L., 1981. *Contending Theories of International Relations*. New York: Harper and Row Publishers.

Doya, D. M., 2011. "Congo Mining Ban Fails to Break Conflict Links, Institute Says". *Bloomberg Business Week*, 01 March. Available at: <http://www.bloomberg.com/news/2011-03-01/congo-s-mining-ban-fails-to-break-links-with-armed-groups-institute-says.html> [Accessed 31 May 2011].

Doyle, M., 2004. "DR Congo's wild east". *BBC News*, 20 November. Available at: <http://news.bbc.co.uk/1/hi/world/africa/4026171.stm> [Accessed 11 November 2005].

Drake, P., 1972. "Natural Resources versus Foreign Borrowing in Economic Development". *The Economic Journal*, 82(327), pp. 951-962.

Drohan, M., 2003. *Making a Killing: How and Why Corporations Use Armed Force to Do Business*. Toronto: Random House Canada.

Drucker, P. F., 1997. "The Global Economy and the Nation-state". *Foreign Affairs*, 76 (5), pp. 159-171.

Dunn, K. C., 2002. "A Survival Guide to Kinshasa: Lessons of the father passed down to the son". In: J. F. Clark (ed.), *African Stakes of the Congo War*. New York: Palgrave Macmillan, pp. 53-74.

Dunning, J. H., 1992. *Multinational Enterprises and the Global Economy*. Reading, Mass.: Addison-Wesley.

Duruigbo, E., 2005. “The World Bank, Multinational Oil Corporations, and the Resource Curse in Africa”. *University of Pennsylvania Journal of International Economic Law*, 26(1), pp. 1-67.

Eaves, L., 2012. “Mineral Conflict in Congo Highlights Need For Peace”. Available at: <http://ivn.us/2012/12/14/mineral-conflict-in-congo/> [Accessed 27 April 2012].

Ebiede, T. M., 2011. “Conflict Drivers: Environmental Degradation and Corruption in the Niger Delta Region”. *African Conflict and Peacebuilding Review*, 1(1), pp. 139-151.

Englebert, P., 1997. “The contemporary African state: neither African nor state”. *Third World Quarterly*, 18(4), pp. 767-775.

European Commission, 2001. “Promoting a European framework for Corporate Social Responsibility”. *Green Paper*, Brussels.

Fearon, J. D., 2004. “Why Do Some Civil Wars Last So Much Longer Than Others?”. *Journal of Peace Research*, 41(3), pp. 275-301.

Fessy, T., 2010. “DR Congo: Celebrating 50 years of chaos”. BBC News, 30 June. Available at: <http://www.bbc.co.uk/news/10449507> [Accessed 14 June 2014].

Fieldhouse, D., 2000. “‘A New Imperial System’? The Role of the Multinational Corporations Reconsidered”. In: J. Frieden and D. Lake (eds), *International Political Economy: Perspectives on Global Power and Wealth*. New York: Routledge, pp. 167-179.

First Quantum Minerals Ltd, 2010. “News Release”. 27 August. Available at: <http://www.first-quantum.com/Theme/FirstQuantum/files/doc_news/NR-10-30.pdf> [Accessed 23 August 2011].

First Quantum Minerals Ltd, 2012. “Overview”. Available at: <http://www.first-quantum.com/Our-Company/overview/default.aspx> [Accessed 24 August 2013].

Fontana, A. and Frey, J., 1994. “Interviewing: The Art of Science”. In: N. K. Denzin and Y. S. Lincoln (eds), *Handbook of Qualitative Research*. Thousand Oaks, CA: Sage, pp. 361-376.

Forsgren, M., 2008. *Theories of the Multinational Firm: A Multidimensional Creature in the Global Economy*. Cheltenham, Gloucestershire: Edward Elgar Publishing Limited.

Friedman, M., 1970. “The Social Responsibility of Business Is to Increase Its Profits”. *New York Times Magazine*, 13 September. Available at: <http://highered.mcgraw-hill.com/sites/dl/free/0073524697/910345/Appendices.pdf> [Accessed 01 July 2012].

Fund for Peace, 2013a. “The Failed States Index Rankings”. Available at: <http://ffp.statesindex.org/rankings> [Accessed 15 May 2014].

Fund for Peace, 2013b. “The Methodology Behind the Index”. Available at: <http://ffp.statesindex.org/methodology> [Accessed 15 May 2014].

Fund for Peace, 2014. “CAST Conflict Assessment Framework Manual”. Available at: <http://library.fundforpeace.org/cfsir1418> [Accessed 15 May 2014].

Fyle, C. M., 1999. *Introduction to the History of African Civilization: Precolonial Africa*. Lanham, MD: University Press of America.

Galtung, J., 1996. *Peace by Peaceful Means: Peace and Conflict, Development and Civilization*. London: Sage Publications Ltd.

Games, D., 2013. “Sweating the small stuff lays proper infrastructure foundations”. *Business Day*, 23 September. Available at: <http://www.bdlive.co.za/opinion/columnists/2013/09/23/sweating-the-small-stuff-lays-proper-infrastructure-foundations> [Accessed 23 September 2013].

Garrett, N. and Piccinni, A., 2012. *Natural Resources and Conflict: A New Security Challenge for the European Union*. Stockholm: Stockholm International Peace Research Institute.

Gebrewold, B., 2009. *Anatomy of Violence: Understanding the Systems of Conflict and Violence in Africa*. Surrey: Ashgate Publishing Limited.

Gelb, A. H. and associates, 1988. *Oil Windfalls: Blessing or Curse?* New York: Oxford University Press.

Geology.com, n. d[a]. "Uses of Zinc". Available at: <http://geology.com/usgs/uses-of-zinc/> [Accessed 27 April 2012].

Geology.com, n. d[b]. "The Many Uses of Gold". Available at: <http://geology.com/minerals/gold/uses-of-gold.shtml> [Accessed 27 April 2012].

Giddens A., 1990. *The Consequences of Modernity*. Stanford, CA: Stanford University Press.

Gillespie, A., 2013. "Banro Foundation Invests in Eastern Congo". *International Resource Journal*, 13 January. Available at: <http://www.internationalresourcejournal.com/africa/africa_january_13/banro_foundation.html> [Accessed 24 November 2013].

Gilpin, R., 1987. *The Political Economy of International Relations*. Princeton, New Jersey: Princeton University Press.

Gilpin, R., 2001. *Global Political Economy: Understanding the International Economic Order*. Princeton, New Jersey: Princeton University Press.

Glasl, F., 1994. *Konfliktmanagement: Ein Handbuch für Führungskräfte und Berater*. 4th edition [Translated: *Conflict Management: A Handbook for Executives and Counsellors*]. Bern and Stuttgart: Head Publishing House.

Global Witness, 2007. "Afrimex (UK)/Democratic Republic of Congo: Complaint to the UK National Contact Point under the Specific Instance Procedure of the OECD Guidelines for Multinational Enterprises". 20 February 2007. Available at: <http://www.globalwitness.org/sites/default/files/import/afrimex_ncp_complaint_en.pdf> [Accessed 24 November 2013].

Global Witness, 2009. '*Faced with a Gun What Can You Do?': War and the Militarisation of Mining in Eastern Congo*. London: Global Witness.

Global Witness, 2011. "Metals mined in eastern Democratic Republic of Congo". 06 April. Available at: <http://www.globalwitness.org/fr/node/8428> [Accessed 31 May 2012].

Global Witness, 2012. "Conflict Minerals". Available at: <http://www.globalwitness.org/campaigns/conflict/conflict-minerals> [Accessed 28 October 2012].

Goldstein, J., 2004. *International Relations*. 5th edition. New York: Longman.

Gondola, D., 2002. *The History of Congo*. Westport, CT: Greenwood Press.

Goodwin, N., 2005. "The Social Impacts of Multinational Corporations: An Outline of the Issues with a Focus on Workers". In: A. D. Chandler, Jr. and B. Mazlish (eds), *Leviathans: Multinational Corporations and the New Global History*. Cambridge: Cambridge University Press, pp. 135-166.

Gourevitch, P., 1998. *We Wish to Inform You That Tomorrow We Will Be Killed with Our Families: Stories from Rwanda*. New York: Farrar Straus and Giroux.

Gourou, P., 1980. "Physical and Social Geography of Zaire". *Africa South of the Sahara, 1980-1981*. London: EPL, pp. 920-924.

Grant, J. A. and Taylor, I., 2007. "Global governance and conflict diamonds: the Kimberley Process and the quest for clean gems". *The Round Table*, 93(375), pp. 385-401.

Greenfield, K., 2006. *The Failure of Corporate Law: Fundamental Flaws and Progressive Possibilities*. Chicago: The University of Chicago Press.

Grespin, W., 2010. "Blood Coltan? How coltan undermines development in D.R. Congo". *Journal of International Peace Operations*, 6(3), pp. 28-30.

Grignon, F., 2006. “Economic Agendas in the Congolese Peace Process”. In: M. Nest, F. Grignon and E. F. Kisangani (eds), *The Democratic Republic of Congo: Economic Dimensions of War and Peace*. Boulder, CO.: Lynne Rienner, pp. 62-98.

Guenther, B. K., 2005. “Neoliberalism and the Political Economy of War”. Paper Prepared for Senior Seminar in International Development Studies at Menno Simons College, University of Winnipeg, 15 April.

Guenther, B., 2008. “The Asian drivers and the resource curse in Sub-Saharan Africa: the potential impacts of rising commodity prices for conflict and governance in the DRC”. *The European Journal of Development Research*, 20(2), pp. 347-363.

Gurría, A., 2008. “The global dodgers”. *The Guardian*, 27 November. Available at: <http://www.guardian.co.uk/commentisfree/2008/nov/27/comment-aid-development-tax-havens> [Accessed 07 September 2012].

Haber, S. and Menaldo, V., 2011. “Do Natural Resources Fuel Authoritarianism? A Reappraisal of the Resource Curse*”. American Political Science Review*, 105(1), pp. 1-26.

Haley, U. C. V., 2001. *Multinational Corporations in Political Environments: Ethics, Values and Strategies*. River Edge, NJ: World Scientific Publishing Company Ltd.

Hall, A. and Lezhnev, S., 2013. “Coming Clean: A Proposal for Getting Conflict Minerals Certification on Track”. Available at: <http://www.enoughproject.org/files/ComingClean-Getting-Conflict-Minerals-Certification-on-Track.pdf> [Accessed 15 November 2013].

Hamann, R. and Acutt, N., 2003. “How should civil society (and the government) respond to ‘corporate social responsibility’? A critique of business motivations and the potential for partnerships”. *Development Southern Africa*, 20(2), pp. 255-270.

Hamann, R., 2003. “Mining companies’ role in sustainable development: the ‘why’ and ‘how’ of corporate social responsibility from a business perspective”. *Development Southern Africa*, 20(2), 237-254.

Hancock, D. R. and Algozzine, R., 2006. *Doing Case Study Research: A Practical Guide for Beginning Researchers*. New York: Teachers College Press.

Hansen, A., Cottle, S., Negrine, R. and Newbold, C., 1998. *Mass communication research methods*. Basingstoke: MacMillan Press.

Hansmann, H. and Kraakman, H., 2001. “The End of History for Corporate Law”. *Georgetown Law Journal*, 89(2), pp. 439-468.

Hartung, W. D. and Moix, B., 2000. *Deadly Legacy: U. S. Arms to Africa and the Congo War*. New York: Arms Trade Resource Center.

Hennart, J. M. A., 2009. “Theories of the Multinational Enterprise”. In: A. M. Rugman (ed.), *Oxford Handbook of International Business*. Second edition. Oxford: Oxford University Press, pp. 125-145.

Herbst, J., 2000. “Economic Incentives, Natural Resources, and Conflict in Africa”. *Journal of African Economies*, 9(3), pp. 270-294.

Hernandez, G. I., 2011. “Non-state actors from the perspective of the International Court of Justice”. In: J. d’Aspremont (ed.), *Participants in the International Legal System: Multiple Perspectives on Non-State Actors in International Law*. Oxford: Routledge, pp. 140-164.

Higgins, B., 1968. *Economic Development: Problems, Principles, and Policies*. New York: WW Norton and Company.

Hislop, D. 2009. *Knowledge Management in Organizations: A Critical Introduction*. 3rd edition. Oxford: Oxford University Press.

Hood, N. and Young, S., 1979. *The Economics of Multinational Enterprise*. London: Longman.

Hoskyn, C., 1963. *The Congo since Independence*. London: Oxford University Press.

Humphreys, D., 2000. "A business perspective on community relations in mining". *Resources Policy*, 26(1), pp. 127-131.

Humphreys, M., 2005a. "Natural Resources, Conflict, and Conflict Resolution: Uncovering the Mechanisms". *Journal of Conflict Resolution*, 49(4), pp. 508-537.

Humphreys, M., 2005b. "Natural Resources and Armed Conflicts: Issues and Options". In: K. Ballentine and H. Nitzschke (eds), *Profiting from Peace: Managing the Resource Dimensions of Civil War*. Boulder, CO: Lynne Rienner Publishers, pp. 25-44.

Idemudia, U., 2010. "Rethinking the role of corporate social responsibility in the Nigerian oil conflict: The limits of CSR". *Journal of International Development*, 22(7), pp. 833-845.

Infomine.com, n. d. "Tenke Fungurume". Available at: <http://www.infomine.com/index/properties/Tenke_Fungurume.html> [Accessed 23 August 2011].

International Alert, 1998. *Code of Conduct: Conflict Transformation Work*. London: International Alert.

International Rescue Committee, 2006. "The Congo Crisis at a Glance: The Forgotten Emergency". Available at: <http://www.theirc.org/what/page.jsp?itemID=27814363> [Accessed 06 January 2006].

International Rescue Committee, n. d. "Congo: Nearly 4 Million Dead in 6 Year Conflict". Available at: <http://www.rescue.org/congo-nearly-4-million-dead-6-year-conflict> [Accessed 27 April 2012].

Irish Peace Society, n. d. “Reconciliation: Central Component of Conflict Transformation”. Available at: <http://www.peace.ie/read/reconciliation.html> [Accessed 12 December 2005].

Ismail, M., 2009. “Corporate social responsibility and its role in community development: An international perspective”. *The Journal of International Social Research*, 2(9), pp. 199-209.

Janský, P., 2013. “Multinational Corporations and the Profit-Shifting Lure of Tax Havens”. *Christian Aid Occasional Paper Number 9*, March. Available at: <http://www.christianaid.org.uk/images/ca-op-9-multinational-corporations-tax-havens-march-2013.pdf> [Accessed 10 April 2013].

Jensen, N. and Wantchekon, L., 2004. “Resource Wealth and Political Regimes in Africa”. *Comparative Political Studies*, 37(7), pp. 816-841.

JETRO [Japanese External Trade Organization], n. d. “Anvil Mining”. Available at: <http://www.ide.go.jp/English/Data/Africa_file/Company/drc02.html> [Accessed 24 August 2013].

Jones, A., 2010. *Iron Cages: Paradigms, Ideologies and the Crisis of the Postcolonial State*. Pietermaritzburg: University of KwaZulu-Natal Press.

Kabemba, C., 2008. “The Search for Responses to Resource Curse”. *Resource Insight*, (6), pp. 1-20.

Kanagaretnam, P. and Brown, S., 2006. *Business, Conflict and Peacebuilding: An Operational Framework*. Ontario/Nova Scotia: Pearson Peacekeeping Centre/Canadian Peacekeeping Press.

Katunga, J., 2006-2007. “Minerals, forests, and violent conflict in the Democratic Republic of the Congo”. *Environmental Change and Security Program Report*, (12), pp. 12-19. Washington, DC: Woodrow Wilson Centre.

Kavanagh, M. J., 2011. “UN Jeep, Driver Seized for Mineral Trafficking on Congo, Rwandan Border”. *Bloomberg*, 22 August. Available at: <http://www.bloomberg.com/news/2011-08-22/un-jeep-driver-seized-for-mineral-trafficking-on-congo-rwandan-border.html> [Accessed 23 August 2011].

Keim, B., 2009. “The Exxon Valdez Spill Is All Around Us”. *Wired Science*. 24 March. Available at: <http://www.wired.com/wiredscience/2009/03/valdezlegacy/> [Accessed 16 August 2012].

Kenny, C., 2010. “What Resource Curse?” *Foreign Policy*. 06 December. Available at: <http://www.foreignpolicy.com/articles/2010/12/06/what_resource_curse?page=full> [Accessed 14 August 2012].

Kern, K., 2006. “Corporate Complicity in Congo’s War”. *Tikkun* Magazine, March/April.

Kern, K., 2007. “The Human Cost of Cheap Cell Phones”. In: S. Hiatt (ed.), *A Game as Old as Empire: The Secret World of Economic Hitmen and the Web of Global Corruption*. San Francisco, CA: Berrett-Koehler Publishers, pp. 93-112.

Kisangani, E. F. and Bobb, S. F., 2010. *Historical Dictionary of the Democratic Republic of the Congo*. Lanham, MA: Scarecrow Press, Inc.

Kok, P., Wiele, T., McKenna, R. and Brown, A., 2001. “A Corporate Social Responsibility Audit within a Quality Management Framework”. *Journal of Business Ethics*, 31(4), pp. 285-297.

Kolstad, I. and Søreide, T., 2009. “Corruption in natural resource management: Implications for policy makers”. *Resources Policy*, 34(4), pp. 214-226.

Kolstad, I. and Wiig, A., 2009. “Political Economy Models of the Resource Curse: Implications for Policy and Research”. *SAIIA Occasional Paper No. 40*, pp. 1-20.

Kowaleski, D., 1981. “Transnational Corporations and the Third World’s Right to Eat”. *Human Rights Quarterly*, 3(4), pp. 45-64.

Krueger, A., 1980. “Trade Policy as an Input to Development”. *American Economic Review*, 70(2), pp. 288-292.

Kuhn, T., 1970. *The Structure of Scientific Revolutions*. 2nd edition. Chicago: Chicago University Press.

Kumar, R., 2005. *Research Methodology: A Step-by-Step Guide for Beginners*. London: Sage Publications.

Kuşluvan S., 1998. “A Review of Theories of Multinational Enterprises”. *Dokuz Eylül Üniversitesi İktisadi ve İdari Bilimler Fakültesi Dergisi*, 13(1), pp. 163-180.

Lalji, N., 2007. “The Resource Curse Revised: Conflict and Coltan in the Congo”. *Harvard International Review*, 29(3), pp. 34-38.

Latham, R., Kassimir, R. and Callaghy, T., 2001. “Introduction: Transboundary Formations, Intervention, Order, and Authority”. In: T. Callaghy, R. Kassimir, and R. Latham (eds), *Intervention and Transnationalism in Africa: Global-Local Networks of Power*. Cambridge: Cambridge University Press, pp. 1-20.

Le Billon, P. and Nicholls, E., 2007. “Ending ‘Resource Wars’: Revenue Sharing, Economic Sanction or Military Intervention?” *International Peacekeeping*, 14(5), pp. 613-632.

Le Billon, P., 2001. “The political ecology of war: natural resources and armed conflicts”. *Political Geography*, 20(5), pp. 561-584.

Le Billon, P., 2008. “Diamond Wars? Conflict Diamonds and Geographies of Resource Wars.” *Annals of the Association of American Geographers*, 98(2), pp. 345-372.

Lederach, J. P. and Maiese, M., 2003. “Conflict Transformation”. Available at: <http://www.beyondintractability.org/m/transformation.jsp?nid=1223> [Accessed 12 December 2005].

Lederach, J. P., 1995a. “Conflict Transformation in Protracted Internal Conflicts: The Case for a Comprehensive Network”. In: K. Rupesinghe (ed.), *Conflict Transformation*. New York: St. Martin’s Press, pp. 201-222.

Lederach, J. P., 1995b. *Preparing for Peace: Conflict Transformation Across Cultures*. New York: Syracuse University Press.

Leite, C. and Weidman, J., 1999. *Does Mother Nature Corrupt? Natural Resources, Corruption, and, Economic Growth*, (IMF Working Paper WP/99/85). Washington, DC: International Monetary Fund.

Lemarchand, R., 2009. *The Dynamics of Violence in Central Africa*. Philadelphia, PA: University of Pennsylvania Press.

Liebscher, P., 1998. “Quantity with Quality? Teaching Quantitative and Qualitative Methods in an LIS Master’s Program”. *Library Trends*, 46(4), pp. 668-680.

Lin-Hi, N., 2010. “The problem with a narrow-minded interpretation of CSR: Why CSR has nothing to do with philanthropy”. *Journal of Applied Ethics*, 1(1), pp. 79-95.

Longman, T., 2002. “The Complex Reasons for Rwanda’s Engagement in Congo”. In: J. F. Clark (ed.), *African Stakes of the Congo War*. New York: Palgrave Macmillan, pp. 129-144.

Lourens, C., 2012. “Congo Gold Output to Surge After End of Africa’s Biggest War”. *Bloomberg News*, 09 February. Available at: <http://www.businessweek.com/news/2012-02-09/congo-gold-output-to-surge-after-end-of-africa-s-biggest-war.html> [Accessed 27 April 2012].

Macey, J. R. and Miller, G. P., 1993. “Corporate Stakeholders: A contractual perspective”. *University of Toronto Law Review*, 43(3), pp. 401-424.

Maconachie, R. and Binns, T., 2007. “Beyond the resource curse? Diamond mining, development and post-conflict reconstruction in Sierra Leone”. *Resources Policy*, 32(3), pp. 104-115.

Mamdani, M., 2001. *When Victims Become Killers: Colonialism, Nativism, and the Genocide in Rwanda*. Princeton, NJ: Princeton University Press.

Marsden, C., 2000. “The new corporate citizenship of big business: part of the solution to sustainability?” *Business and Society Review*, 105(1), pp. 9-25.

Matten, D. and Crane, A., 2005. “Corporate Citizenship: Toward an Extended Theoretical Conceptualization”. *Academy of Management Review*, 30(1), pp. 166-179.

M’bokolo, E., 1999. “Equatorial West Africa”. In: A. A. Mazrui (ed.), *General History of Africa. Volume VIII Africa since 1935*. Paris: UNESCO.

McCalpin, J. O., 2002. “Historicity of a Crisis: The Origins of the Congo War”. In: J. F. Clark (ed.), *African Stakes of the Congo War*. New York: Palgrave Macmillan, pp. 33-50.

McClintock, C. and Vallas, F., 2003. *The United States and Peru: Cooperation at a Cost*. New York: Routledge.

McKinley, J. C., 1997. “Zairian Rebels’ New Allies: Men Armed With Briefcases”. *New York Times*, 17 April. Available at: <http://www.nytimes.com/1997/04/17/world/zairian-rebels-new-allies-men-armed-with-briefcases.html> [Accessed 23 August 2011].

McMillan, J. H. and Schumacher, S., 1993. *Research in education: A conceptual understanding*. New York: HarperCollins.

McWilliams, A. and Siegel, D., 2001. “Corporate social responsibility: A theory of the firm perspective”. *Academy of Management Review*, 26(1), pp. 117-127.

Merriam, A. P., 1961. *Congo: Background to Conflict*. Evanston: North Western University Press.

Metalbulletin.com, 2012. "DRC set to overtake China, Indonesia as world's biggest tin supplier". Available at: <http://www.metalbulletin.com/Article/3016484/DRC-set-to-overtake-China-Indonesia-as-worlds-biggest-tin-supplier.html> [Accessed 27 April 2012].

Miall, H., 2004. "Transforming Ethnic Conflict: Theories and Practices". In: A. Wimmer *et al*. (eds), *Facing Ethnic Conflicts: Toward a New Realism*. Lanham, MD: Rowman and Littlefield Publishers, Inc., pp. 160-173.

Miall, H., 2005. *Conflict Transformation: A Multi-Dimensional Task*. Berlin: Berghof Research Center for Constructive Conflict Management.

Miall, H., 2011. "Positive Peace". In: B. Badie, D. Berg-Schlosser and L. Morlino (eds), *International Encyclopedia of Political Science*. Thousand Oaks, CA: Sage, pp. 2078-2080.

Miles, M. B. and Huberman, A. M., 1994. *Qualitative data analysis: an expanded sourcebook*. Thousand Oaks, CA: Sage.

Millon, D. K., 1995. "Communitarianism in Corporate Law: Foundations and Law Reform Strategies". In: L. E. Mitchell (ed.), *Progressive Corporate Law*. Boulder, CO: Westview Press, pp. 1-33.

Mining Review.com, 2008. "De Beers Stays Ahead in Exploration Game". Available at: <http://www.miningreview.com/de-beers-stays-ahead-in-exploration-game/> [Accessed 23 August 2011].

Mitchell, C., 2002. "Beyond Resolution: What Does Conflict Transformation Actually Transform?" *Peace and Conflict Studies*, 9(1), pp. 1-23.

Mitchell, L., 2001. *Corporate Irresponsibility: America's Newest Export*. New Haven, CT: Yale University Press.

Mokhiber, R., 1987. "Infant Formula: Hawking Danger in the Third World". *The Multinational Monitor*, 8(4), April. Available at: <http://multinationalmonitor.org/hyper/issues/1987/04/formula.html> [Accessed 08 February 2012].

Montague, D. and Berrigan, F. 2001. "The Business of War in the Democratic Republic of Congo". *Dollars and Sense magazine*, July/August. Available at: <http://www.thirdworldtraveler.com/Africa/Business_War_Congo.html> [Accessed 31 May 2012].

Montague, D., 2002. "Stolen Goods: Coltan and Conflict in the Democratic Republic of Congo". *SAIS Review*, 22(1), pp. 103-118.

Morgan, M. J., 2009. "DR Congo's $24 trillion fortune". *African Business*, Issue 350, pp. 52-56.

Moyroud, S. C. and Katunga, J., 2002. "Coltan Exploration in Eastern Democratic Republic of the Congo (DRC)". In: J. Lind and K. Sturman (eds), *Scarcity and Surfeit: The ecology of Africa's conflicts*. Pretoria: Institute for Security Studies, pp. 157-185.

Murison, J., 2002. "The Politics of Refugees and Internally Displaced Persons in the Congo War". In: J. F. Clark (ed.), *African Stakes of the Congo War*. New York: Palgrave Macmillan, pp. 225-237.

Mutume, G., 1999. "Politics-D.R. Congo: Africa's 'First World War'". 24 February. Available at: <http://business.highbeam.com/5669/article-1P1-20561564/politicsdr-congo-africa-first-world-war> [Accessed 02 July 2012].

Mvuluya, M., 1997. “Les masses populaires et les préalables d’une transition démocratique au Zaïre (1990-1992)”. In: G. Nzongola-Ntalaja and M. C. Lee (eds), *The State and Democracy in Africa*. Harare: AAPS Books, pp. 53-63.

Nankani, G. T., 1980. “Development Problems of Nonfuel Mineral Exporting Countries”. *Finance and Development*, 17(1), pp. 6-10.

Nelson, J., 2000. *The Business of Peace: The Private Sector as a Partner in Conflict Prevention and Resolution*. London: International Alert/International Business Leaders Forum and Council on Economic Priorities.

Nest, M., 2011. *Coltan*. Cambridge: Polity Press.

Neuendorf, K. A., 2002. *The Content Analysis Guidebook*. Thousand Oaks, CA: Sage.

Neuman, W. L., 2000. *Social Research Methods: Qualitative and Qualitative Approaches*. 4th edition. Boston, MA: Allyn and Bacon.

Nicholson, M., 1992. *Rationality and the Analysis of International Conflict*. Cambridge: Cambridge University Press.

Noortmann, M., 2002. “Globalisation, Global Governance and Non-State Actors: Researching beyond the State”. *International Law FORUM du droit international*, 4(1), pp. 36-40.

Noury, V., 2010. “The curse of coltan”. *New African*, April, pp. 34-35.

Nye, J. S., 1974. “Multinational Corporations in World Politics”. *Foreign Affairs*, 53(1), pp. 153-175.

Nzongola-Ntalaja, G., 1998. “The Crisis in the Great Lakes Region”. Speech prepared for delivery at the African Renaissance Conference, Johannesburg, South Africa, 28-29 September. Available at: <http://www.africa.upenn.edu/Urgent_Action/apic_111198.html> [Accessed 02 July 2012].

Nzongola-Ntalaja, G., 2001. “DRC’s Potential: Lighting the Continent from Cape to Cairo”. *Pambazuka News*, Issue 261, 21 July. Available at: <http://www.pambazuka.org/en/category/features/35486> [Accessed 24 August 2012].

Nzongola-Ntalaja, G., 2002. *The Congo from Leopold to Kabila: A People’s History*. London and New York: Zed Books.

Nzongola-Ntalaja, G., 2004. “From Zaire to the Democratic Republic of Congo”. *Current African Issues*, No. 28 (Second and Revised Edition). Nordiska Afrikainstitutet, pp. 1-25.

OECD [Organisation for Economic Co-Operation and Development], 2004. “OECD Watch”. 04 August. Available at: <http://oecdwatch.org/cases/Case_45> [Accessed 27 April 2012].

OECD [Organisation for Economic Co-Operation and Development], 2010. *Annual Report on the OECD Guidelines for Multinational Enterprises 2009: Consumer Empowerment*. Paris: OECD.

Olayode, K., 2005. “Reinventing the African State: Issues and Challenges for Building a Developmental State”. Draft Paper for the 11th General Assembly of the Council for the Development of Social Science Research in Africa, Maputo, Mozambique, 06-10 December.

One World - Nations Online, 2013. “Administrative Map of Democratic Republic of the Congo”. Available at: <http://www.nationsonline.org/oneworld/map/dr_congo_map.htm> [Accessed 04 November 2013].

Onimode, B., 1978. “Imperialism and Multinational Corporations: A Case Study of Nigeria”. *Journal of Black Studies*, 9(2), pp. 207-232.

OpenOil, 2012. “Coltan supply chain”. Available at: <wiki.openoil.net/index.php?title=Coltan_Supply_Chain> [Accessed 03 March 2012].

Owoeye, J. and Amusan, L., 2000. “Sub-regionalisation of Internal War in Africa with Reference to the Congo Crisis”. *Ife Social Sciences Review*, 18(1), pp. 172-188.

Patey, L., 2006a. *A Complex Reality: The Strategic Behaviour of Multinational Oil Corporations and the New Wars in Sudan*. Copenhagen: Danish Institute of International Studies.

Patey, L., 2006b. “Understanding Multinational Corporations in War-torn Societies: Sudan in Focus”. *DIIS Brief*, April, pp. 1-9.

Payne, G. and Payne, J., 2004. *Key Concepts in Social Research*. London: Sage Publications.

Porto, J. G., 2002. “Contemporary Conflict Analysis in Perspective”. In: J. Lind and K. Sturman (eds), *Scarcity and Surfeit: The Ecology of African Conflicts*. Pretoria: Institute of Security Studies, pp. 1-49.

Prunier, G., 2009. *Africa’s World War: Congo, the Rwandan Genocide, and the Making of a Continental Catastrophe*. Oxford: Oxford University Press.

Queyranne, G., 2006. “Congo: A Critical Political Economic Analysis of the War in the Democratic Republic of Congo and Its Effects on Women”. 01 December. Available at: <http://www.terry.ubc.ca/2006/12/01/congo-a-critical-political-economic-analysis-of-the-war-in-the-democratic-republic-of-congo-and-its-effects-on-women/> [Accessed 24 November 2013].

Radhu, G. M., 1973. “Transfer of Technical Know-How Through Multinational Corporations in Pakistan”. *The Pakistan Development Review*, 12(4), pp. 361-374.

RAID [Rights and Accountability in Development], 2004. *Unanswered Questions: Companies, Conflict and the Democratic Republic of Congo*. Oxford: Rights and Accountability in Development.

Rajan, S. C., 2011. "Poor little rich countries: another look at the 'resource curse'". *Environmental Politics*, 20(5), pp. 617-632.

Ranard, D. A., 2013. *Refugees from the Democratic Republic of the Congo*. Washington, DC: Cultural Orientation Resource Center.

Rasmussen, J. L., 1997. "Peacemaking in the Twenty-First Century: New Rules, New Roles, New Actors". In: I. W. Zartman and J. L. Rasmussen (eds), *Peacemaking in International Conflict: Methods and Techniques*. Washington, DC: United States Institute for Peace Press, pp. 23-50.

Refugees International, 2013. "DR Congo". Available at: <http://refugeesinternational.org/where-we-work/africa/dr-congo> [Accessed 23 August 2013].

Rekacewicz, P., 2000. "The coveted riches of the Democratic Republic of Congo". *Le Monde diplomatique*, January. Available at: <http://mondediplo.com/maps/congomdv49> [Accessed 27 September 2005].

ResolutionPossible, 2013. "Corporate Social Responsibility: The reality". 31 October. Available at: <http://www.resolutionpossible.co.uk/corporate-social-responsibility-the-reality#.Uo-6gNJmim4> [Accessed 02 November 2013].

Reyntjens, F., 1998. "The New Geo-Strategic Situation in Central Africa". *Issue: A Journal of Opinion*, 26(1), pp. 10-13.

Richani, N., 2005. "Multinational Corporations, Rentier Capitalism and the War System in Colombia". *Latin American Politics and Society*, 47(3), pp. 113-144.

Rieth, L., and Zimmer, M., 2004. *Transnational Corporations and Conflict Prevention: The Impact of Norms on Private Actors*. Tübingen: University of Tübingen.

Roach, B., 2005. "A Primer on Multinational Corporations". In: A. D. Chandler, Jr. and B. Mazlish (eds), *Leviathans: Multinational Corporations and the New Global History*. Cambridge: Cambridge University Press, pp. 19-44.

Roberto, M. A., 2010. *Keeping Conflict Constructive: And Unleashing the Power of Divergent Thinking*. New Jersey: Pearson Education.

Robertson, C. and Krauss, C., 2010. "Gulf Spill Is the Largest of Its Kind, Scientists Say". *The New York Times*. 2 August. Available at: <http://www.nytimes.com/2010/08/03/us/03spill.html?_r=2&fta=y&> [Accessed 14 August 2012].

Ropers, N., 1995. *Peaceful Intervention: Structures, Processes, and Strategies for the Constructive Regulation of Ethnopolitical Conflicts*. Berlin: Berghof Forschungszentrum für konstruktive Konfliktbearbeitung.

Ross, M., 1999. "The Political Economy of the Resource Curse". *World Politics*, 51(2), pp. 297-322.

Ross, M. L., 2003. "Oil, drugs and diamonds: the varying roles of natural resources in civil war". In: K. Ballentine and J. Sherman (eds), *The Political Economy of Armed Conflict: Beyond Greed and Grievance*. Boulder and London: Lynne Rienner Publishers, pp. 47-70.

Ross, M. L., 2004. "How Do Natural Resources Influence Civil War? Evidence from Thirteen Cases". *International Organization*, 58(1), pp. 35-67.

Ross, P., 2005. “Hard cash for growth in the DRC: Priscilla Ross reports on how renewed interest in mining for coltan, cobalt and copper can lead to social and economic development. (Country Update)”. *African Review of Business and Technology*, 41(6), pp. 35-38.

Rosser, A., 2006a. “The Political Economy of the Resource Curse: A Literature Survey”. *Institute of Development Studies Working Paper 268*, pp. 1-34.

Rosser, A., 2006b. “Escaping the Resource Curse”. *New Political Economy*, 11(4), pp. 557-570.

Rubin, J. Z., Pruitt, D. G. and Kim, S. H., 1994. *Social Conflict: Escalation, Stalemate and Settlement*. 2nd edition. New York: McGraw Hill.

Rupesinghe, K., 1995. “Conflict Transformation”. In: K. Rupesinghe (ed.), *Conflict Transformation*. London: Macmillan, pp. 65-92.

Rupiya, M. R., 2002. “A Political and Military Review of Zimbabwe’s Involvement in the Second Congo War”. In: J. F. Clark (ed.), *African Stakes of the Congo War*. New York: Palgrave Macmillan, pp. 93-105.

Rustad, S. A. and Binningsbø, H. M., 2012. “A price worth fighting for? Natural resources and conflict recurrence”. *Journal of Peace Research*, 49(4), pp. 531-546.

Ryan, B., 2010. “First Quantum ‘shaken down’ in DRC”. 08 July. Available at: <http://www.miningmx.com/news/base_metals/first-quantum-shaken-down-in-DRC.htm> [Accessed 23 August 2011].

Sachs, J. D. and Warner, M., 1997. *Natural Resource Abundance and Economic Growth*. Cambridge, MA: Center for International Development and Harvard Institute for International Development

Samset, I., 2002. “Conflict of Interests or Interests in Conflict? Diamonds and War in the DRC”. *Review of African Political Economy*, 29(93/94), pp. 463-480.

Schelling, T. C., 1980. The Strategy of Conflict. Cambridge, MA: Harvard University Press.

Schermerhorn, Jr, J. R., 2009. *Exploring Management*. 2nd edition. Somerset, NJ: John Wiley and Sons Inc.

Schoultz, L., 1998. *Beneath the United States: A History of U.S. Policy toward Latin America*. Cambridge, Mass.: Harvard University Press.

Scoullos, M. J. *et al*., 2001. *Mercury, Cadmium, Lead: Handbook for Sustainable Heavy Metals Policy and Regulation*. Dordrecht: Kluwer Academic Publishers.

Secchi, D., 2007. "Utilitarian, managerial and relational theories of corporate social responsibility". *International Journal of Management Reviews*, 9(4), pp. 347-373.

Sguazzin, A., 2007. "De Beers to accelerate diamond exploration in Congo". *Bloomberg*, 08 February. Available at: <http://www.moneyweb.co.za/moneyweb-mining/de-beers-to-accelerate-diamond-exploration-in-congo> [Accessed 23 August 2011].

Shuker, R., 1999. "Content Analysis". In: C. Davidson and M. Tollich (eds), *Social Science Research in New Zealand*. Auckland: Pearson Education New Zealand Ltd, pp. 316-330.

Smith, K., 2002. "ISO Considers Corporate Social Responsibility Standards". *The Journal for Quality and Participation*, 25(3), p. 42.

Smoes, T., 2012. "Agricultural Development in the Democratic Republic of the Congo (DRC)". In: E. Eder, D. Kyd-Rebenburg and J. Prammer (eds), *Global Growing Casebook: Insights into African Agriculture*. Brussels: Global Growing Campaign, pp. 66-85.

Spencer, D. and Spencer, W. J., 1995. "Third Party Mediation and Conflict Transformation: Experiences in Ethiopia, Sudan and Liberia". In: K. Rupesinghe (ed.), *Conflict Transformation*. London: Macmillan, pp. 167-195.

Spero, J. E. and Hart, J. A., 2010. *The Politics of International Economic Relations*. Seventh edition. Boston, MA: Wadsworth, Cengage Learning.

Stewart, J. G., 2011. *Corporate War Crimes: Prosecuting the Pillage of Natural Resources*. New York: Open Society Foundations.

Stokes, J. (ed.), 2009. *Encyclopedia of the Peoples of Africa and the Middle East*. New York: Infobase Publishing, Inc.

Stone, P. J., Dunphy, D. C., Smith M. S. and Ogilvie, D. M., 1966. *The General Inquirer: A Computer Approach to Content Analysis*. Cambridge, MA: MIT Press.

Stopford, J., 1998-1999. "Multinational Corporations". *Foreign Policy*, (113), pp. 12-24.

Sundaram, A., 2005. "Politics-DRC: Making Order Out of Chaos for the 2006 Election". Available at: <http://www.ipsnews.net/africa/nota.asp?idnews=30207> [Accessed 06 January 2006].

Sundaram, A., 2006. "Congo's tin men". *Fortune Magazine*, 27 April. Available at: <http://money.cnn.com/magazines/fortune/fortune_archive/2006/05/01/8375451/> [Accessed 11 April 2012].

Taylor, I., 2003. "Conflict in Central Africa: Clandestine Networks and Regional/Global Configurations". *Review of African Political Economy*, 30(95), pp. 45-55.

THAISARCO, n. d. "Overview". Available at: <http://www.thaisarco.com/overview.html> [Accessed 24 August 2013].

The African Business Journal, 2013. "Market spotlight: The Banro Foundation". Available at: <http://www.tabj.co.za/mobile/features/december10_features/the_banro_foundation.html> [Accessed 24 November 2013].

Thorp, N., 2010. "Uranium from Democratic Republic of Congo". 08 July. Available at: <http://toxipedia.org/display/wanmec/Uranium+from+Democratic+Republic+of+Congo> [Accessed 27 April 2012].

Turner, T., 2002. “Angola’s Role in the Congo War”. In: J. F. Clark (ed.), *African Stakes of the Congo War*. New York: Palgrave Macmillan, pp. 75-92.

Udofia, O. E., 1984. “Imperialism in Africa: A Case of Multinational Corporations”. *Journal of Black Studies*, 14(3), pp. 353-368.

UK Parliament, 2006. “Letter to the Chairman of the Committee from Mr Ketan Kotecha, Afrimex (UK) Limited”. 25 October 2006. Available at: <http://www.publications.parliament.uk/pa/cm200506/cmselect/cmintdev/923/923we10.htm> [Accessed 04 November 2013].

United Nations Conference on Trade and Development (UNCTAD), 2000. *World Investment Report, 2000*. New York: United Nations.

United Nations Security Council, 2000. *Report of the Panel of Experts on the Illegal Exploitation of Natural Resources and Other Forms of Wealth of the Democratic Republic of the Congo*. New York: United Nations.

United Nations Security Council, 2001a. *Report of the Panel of Experts on the Illegal Exploitation of Natural Resources and Other Forms of Wealth of the Democratic Republic of the Congo* (S/2001/357). New York: United Nations.

United Nations Security Council, 2001b. *Addendum to the Report of the Panel of Experts on the Illegal Exploitation of Natural Resources and Other Forms of Wealth of the Democratic Republic of the Congo* (S/2001/1072). New York: United Nations.

United Nations Security Council, 2002a. *Final report of the Panel of Experts on the Illegal Exploitation of Natural Resources and Other Forms of Wealth of the Democratic Republic of the Congo* (S/2002/1146). New York: United Nations.

United Nations Security Council, 2002b. “Report on exploitation of resources of Democratic Republic of Congo is challenged in Security Council”. *Press Release* (SC/7561), 05 November. Available at: <http://www.un.org/News/Press/docs/2002/SC7561.doc.htm> [Accessed 23 August 2011].

United Nations Security Council, 2003. *Attachment to the Final report of the Panel of Experts on the Illegal Exploitation of Natural Resources and Other Forms of Wealth of the Democratic Republic of the Congo* (S/2003/1027). New York: United Nations.

University of Vermont, 2013. “Ecotourism”. Available at: <http://www.uvm.edu/rsenr/rm230/Congo%20Coltan%20Mines.jpg> [Accessed 04 November 2013].

Upreti, B. R., 2002. *Management of Social and Natural Resource Conflict in Nepal: Realities and Alternatives*. New Delhi: Adroit Publishers.

Usanov, A. *et al*., 2013. *Coltan, Congo and Conflict*. The Hague: The Hague Centre for Strategic Studies.

Vandiver, J., 2010. “GIs retrain Congo troops known for being violent”. *Stars and Stripes*, 02 May. Available at: <http://www.stripes.com/news/gis-retrain-congo-troops-known-for-being-violent-1.101774> [Accessed 23 August 2013].

Varma, R. and Varma, D. R., 2005. “The Bhopal disaster of 1984”. *Bulletin of Science, Technology and Society*, 25(1), pp. 37-45.

Väyrynen, R., 1991. “To Settle or to Transform? Perspectives on the Resolution of National and International Conflicts”. In: R. Väyrynen (ed.), *New Directions in Conflict Theory: Conflict Resolution and Conflict Transformation*. London: Sage Publications Ltd, pp. 1-25.

Vernon, R., 1977. *Storm over the Multinationals: The Real Issues*. Cambridge, Mass.: Harvard University Press.

Vernon, R., 1998. *In the Hurricane's Eye: The Troubled Prospects of Multinational Enterprises*. Cambridge, MA: Harvard University Press.

Vesperini, H., 2001. "Congo's coltan rush". *BBC News*, 01 August. Available at: <http://news.bbc.co.uk/2/hi/africa/1468772.stm> [Accessed 23 October 2007].

Vidal, J., 2013. "River could light up the continent". *Mail and Guardian*, 24 May. Available at: <http://mg.co.za/article/2013-05-24-river-could-light-up-the-continent> [Accessed 23 September 2013].

Vlassenroot, K. and Raeymaekers, T., 2004. *Conflict and Social Transformation in eastern DR Congo*. Ghent: Conflict Research Group and Academia Press.

VOA News, 2014. "DRC Military Offensives Reduces Number of Armed Groups". 10 April. Available at: <http://www.voanews.com/content/drc-military-offensives-reduces-number-of-armed-groups/1890655.html> [Accessed 13 June 2014].

Wahab, S. A., Rose, R. C. and Osman, S. I. W., 2012. "Exploring the Technology Transfer Mechanisms by the Multinational Corporations: A Literature Review". *Asian Social Science*, 8(3), pp. 142-150.

Wallensteen, P., 1991. "The Resolution and Transformation of International Conflicts: A Structural Perspective". In: R. Väyrynen (ed.), *New Directions in Conflict Theory: Conflict Resolution and Conflict Transformation*. London: Sage Publications Ltd, pp. 129-152.

Wallerstein, I. and Cordell, D. D., 2014. "Patrice Lumumba". In: Encyclopaedia Britannica, *Encyclopaedia Britannica Online*. Available at: <http://www.britannica.com/EBchecked/topic/351310/Patrice-Lumumba> [Accessed 13 June 2014].

Wan-Jan, W. S., 2006. “Defining corporate social responsibility”. *Journal of Public Affairs*, 6(3/4), pp. 176-184.

Wantchekon, L., 1999. *Why Do Resource Dependent Countries Have Authoritarian Governments?* New Haven, CT: Yale University.

Ware, N. D., 2001. “Congo War and the Role of Coltan”. Available at: <http://www1.american.edu/ted/ice/congo-coltan.htm> [Accessed 21 March 2011].

Wells, J., 2011. “Mining the Congo: Golden opportunity”. *The Toronto Star*, 10 July. Available at: <http://www.thestar.com/news/insight/2011/07/10/mining_the_congo_golden_opportunity.html> [Accessed 24 November 2013].

Weinstein, J., 2000. “Africa’s ‘Scramble for Africa’: Lessons of a Continental War”. *World Policy Journal*, 17(2), pp. 11-20.

Weiss, H., 2000. “War and Peace in the Democratic Republic of the Congo”. *Current African Issues*, No. 22, Nordiska Afrikainstitutet.

Wennmann, A., 2007. “The Political Economy of Conflict Financing: A Comprehensive Approach Beyond Natural Resources”. *Global Governance*, 13(3), pp. 427-444.

Wexler, L., 2010. “Regulating Resource Curses: Institutional Design and Evolution of the Blood Diamond Regime”. *Cardozo Law Review*, 31(5), pp. 1717-1780.

Wheeler, D., 1984. “Sources of stagnation in sub-Saharan Africa”. *World Development*, 12(1), pp. 1-23.

Whetho, A., 2001. *Ethnopolitical Disturbances and the Future of Peace in the Democratic Republic of Congo*. BSc (Hons) Dissertation, Obafemi Awolowo University, Ile-Ife, Nigeria.

Whetho, A., 2006. *Religion and Conflict Transformation in the Democratic Republic of the Congo, 1999-2004*. Masters Dissertation, School of Politics, University of KwaZulu-Natal, South Africa.

Whitman, S., 2012. “Sexual Violence, Coltan and the Democratic Republic of Congo”. In: M. A. Schnurr and L. A. Swatuk (eds), *Natural Resources and Social Conflict: Towards Critical Environmental Security*. Basingstoke: Palgrave Macmillan, pp. 128-151.

Wiersma, W., 1995. *Research methods in education: An introduction*. 6th edition. Boston: Allyn and Bacon.

Wikipedia, 2013. “Provinces of the Democratic Republic of the Congo”. Available at: <http://en.wikipedia.org/wiki/Provinces_of_the_Democratic_Republic_of_the_Congo> [Accessed 04 November 2013].

Wilkins, M., 2005. “Multinational Enterprise to 1930: Discontinuities and Continuities”. In: A. D. Chandler, Jr. and B. Mazlish (eds), *Leviathans: Multinational Corporations and the New Global History*. Cambridge: Cambridge University Press, pp. 45-79.

Winter, J., 2006. “DR Congo poll crucial for Africa”. *BBC News*, 16 November. Available at: <http://news.bbc.co.uk/2/hi/africa/5209428.stm> [Accessed 23 February 2007].

Wolfe, A., 1993. “The Modern Corporation: Private Agent or Public Actor?” *Washington and Lee Law Review*, 50(4), pp. 1673-1696.

World Bank, 2007. *Democratic Republic of the Congo: Poverty and Social Impact Analysis - Mine Sector Reform*. Washington, DC: World Bank.

World Trade Organization, 2010. *World Trade Report 2010: Trade in Natural Resources*. Geneva: World Trade Organization.

Wrong, M., 2000. *In the Footsteps of Mr. Kurtz: Living on the Brink of Disaster in Mobutu’s Congo*. New York: HarperCollins Publishers.

Xinhua News, 2013. “Multinational companies accused of promoting capital flight from Africa”. 27 January 2013. Available at: <http://news.xinhuanet.com/english/africa/2013-01/27/c_132131366.htm> [Accessed 15 February 2013].

Yang, X. and Rivers, C., 2009. “Antecedents of CSR Practices in MNCs’ Subsidiaries: A Stakeholder and Institutional Perspective”. *Journal of Business Ethics*, 86(2), pp. 155-169.

Yankson, P. W. K., 2010. “Gold mining and corporate social responsibility in the Wassa West district, Ghana”. *Development in Practice*, 20(3), pp. 354-366.

Yartey, C. A., 2004. “The Economics of Civil War in Sub-Saharan Africa”. In: J. A. P. Clément (ed.), *Postconflict Economics in Sub-Saharan Africa: Lessons from the Democratic Republic of the Congo*. Washington, DC: International Monetary Fund, pp. 87-128.

Zhao, Z. and Zhang, K. H., 2007. “Multinational Corporations and Technology Transfers in Developing Countries”. *Economia Internazionale/International Economics*, 60(2), pp. 249-264.

Zittel, W. and Exner, A., 2013. “Mining between comeback and dead end”. In: A. Exner, P. Fleissner, L. Kranzl, W. Zittel (eds), *Land and Resource Scarcity: Capitalism, struggle and well-being in a world without fossil fuels*. New York: Routledge, pp. 54-73.

Videos

Al Jazeera English, 2011. “Murder in Kinshasa”. [Duration: 48 minutes]. Available at: <http://www.youtube.com/watch?v=rDqTddLqo-w> [Accessed 28 October 2011].

Forestier, P., 2007. “Blood Coltan”. [Duration: 52 minutes]. Available at: <http://www.youtube.com/watch?v=in0A8SFL3XM> [Accessed 02 June 2011].

Journeyman Pictures, 2005. “Grand Theft Congo – DRC”. [Duration: 16 minutes]. Available at: <http://www.youtube.com/watch?v=RP7y8bMwH2s> [Accessed 02 June 2011].

Journeyman Pictures, 2008. “The Real Mobile Phone Wars – DRC”. [Duration: 25 minutes]. Available at: <http://www.youtube.com/watch?v=JQIsLqkuATY> [Accessed 02 June 2011].

VICE, 2012. “Conflict Minerals, Rebels and Child Soldiers in Congo”. [Duration: 39 minutes]. Available at: <http://www.youtube.com/watch?v=kYqrflGpTRE> [Accessed 17 August 2012].

Interviews

(a) *Face-to-face interviews*

Interview with a civil society activist (APK) [Goma], 11 November 2010.

Interview with a colonel in the Congolese army [Kinshasa], 21 October 2010.

Interview with a consultant to the *Ministère des Mines* [Ministry of Mines] (FD) [Kinshasa], 30 October 2010.

Interview with a director in the *Ministère des Mines* [Ministry of Mines] (ML) [Lubumbashi], 26 October 2010.

Interview with a director in the *Ministère des Mines* [Ministry of Mines] (J-PM) [Kinshasa], 18 October 2010.

Interview with a director in the *Ministère du Plan* [Ministry of Planning] (CMA) [Lubumbashi], 26 October 2010.

Interview with a field researcher for Enough Project [Kinshasa], 18 October 2010.

Interview with a former employee of Anvil Mining (EFB) [Lubumbashi], 26 October 2010.

Interview with a former Lieutenant Colonel in the *Forces Armées de la République Démocratique du Congo* (FARDC) [Armed Forces of the Democratic Republic of Congo] (SFK) [Kinshasa], 23 October 2010.

Interview with a former local commander of a rebel movement [Kinshasa], 06 November 2010.

Interview with a former manager at SOMINKI (SL) [Kinshasa], 06 November 2010.

Interview with a former member of the MLC [Kinshasa], 06 November 2010.

Interview with a former member of the national parliament [Kinshasa], 07 November 2010.

Interview with a former minister in Mobutu Sese Seko's government [Kinshasa], 06 October 2010.

Interview with a former Minister of Mines [Kinshasa], 18 October 2010.

Interview with a geologist (VN) [Lubumbashi], 26 October 2010.

Interview with a journalist (AL) [Kinshasa], 20 October 2010

Interview with a journalist (DMT) [Kinshasa], 20 October 2010.

Interview with a legal practitioner and human rights activist (GNM) [Kinshasa], 29 October 2010.

Interview with a member of the *Assemblée nationale* [National Assembly] (MT) [Kinshasa], 21 October 2010.

Interview with a member of the Congo Leadership Initiative (a youth empowerment NGO) [Kinshasa], 06 November 2010.

Interview with a member of the Executive Committee of the *Association africaine de défense des Droits de l'Homme* (ASADHO) [African Association for the Defence of Human Rights] (KM) [Kinshasa], 29 October 2010.

Interview with a member of the UDPS [Kinshasa], 07 November 2010.

Interview with a military analyst [Kinshasa], 04 November 2010.

Interview with a military officer (ALK) [Kinshasa], 19 October 2010.

Interview with a military officer (JDM) [Kinshasa], 19 October 2010.

Interview with a mining economist (GTN) [Lubumbashi], 25 October 2010.

Interview with a Professor of Corporate Law (YN) [Kinshasa], 07 October 2010.

Interview with a Professor of Economics (EL) [Kinshasa], 29 October 2010.

Interview with a Professor of International Law (MM) [Kinshasa], 29 October 2010.

Interview with a Professor of International Political Economy (ALM) [Lubumbashi], 27 October 2010.

Interview with a Professor of International Relations (JO) [Kinshasa], 20 October 2010.

Interview with a Professor of Political Science (GN) [Lubumbashi], 26 October 2010.

Interview with a Professor of Political Science [Kinshasa], 29 October 2010.

Interview with a staff in the Presidency (VDC) [Kinshasa], 17 October 2010.

Interview with a staff of the *Commission Episcopale Justice et Paix* (CEJP) [Episcopal Commission for Justice and Peace] (CH) [Kinshasa], 29 October 2010.

Interview with a supervisor in a mineral trading house (EK) [Lubumbashi], 28 October 2010.

Interview with a youth leader (FN) [Lubumbashi], 24 October 2010.

Interview with a youth leader (RU) [Lubumbashi], 27 October 2010.

Interview with a youth leader in Ndjili community [Kinshasa], 22 October 2010.

Interview with an Assistant Professor of Political Science (EM) [Kinshasa], 05 November 2010.

Interview with an economist at the University of Lubumbashi (LMBN) [Lubumbashi], 26 October 2010.

Interview with an ex-director in the national mining company, Gecamines (SNT) [Lubumbashi], 28 October 2010.

Interview with an independent political and public policy analyst (KU) [Kinshasa], 04 November 2010.

Interview with an officer (II) in the *Agence Nationale de Renseignements* (ANR) [National Intelligence Agency], [Kinshasa], 23 October 2010.

Interview with an officer (III) in the *Agence Nationale de Renseignements* (ANR) [National Intelligence Agency], [Kinshasa], 07 November 2010.

Interview with an official in the *Ministère des Mines* [Ministry of Mines] (CN) [Kinshasa], 17 October 2010.

Interview with an official in the *Ministère des Mines* [Ministry of Mines] (VD) [Kinshasa], 17 October 2010.

Interview with an official in the *Ministère des Mines* [Ministry of Mines] (J-DK) [Lubumbashi], 27 October 2010.

Interview with an official in the Presidency (AA) [Kinshasa], 19 October 2010.

Interview with an official in the Presidency (JDM) [Kinshasa], 19 October 2010.

Interview with an official of the *Ministère des Mines* [Ministry of Mines] (AMB) [Kinshasa], 21 October 2010.

Interview with an official of the *Ministère du Plan* [Ministry of Planning] (MML) [Lubumbashi], 25 October 2010.

Interview with Professor Kibanda Matungila [Kinshasa], 20 October 2010.

Interview with the executive director of a civil society organisation (BK) [Lubumbashi], 25 October 2010.

(b) *Telephonic interviews*

Telephonic interview with a fieldworker for Refugees International [Bunia], 02 November 2010.

Telephonic interview with a mining consultant (BS) [Bukavu], 02 November 2010.

Telephonic interview with a volunteer with the *Médecins Sans Frontières* [Maniema], 02 November 2010.

(c) *E-interviews*

E-interview (via Skype™) with a civil society activist (PMU) [Goma], 24 June 2012.

E-interview (via Skype™) with a consultant to the *Division des Mines* Nord-Kivu [Goma], 05 March 2011.

E-interview (via Skype™) with a former student/youth leader (FLN) [Bukavu], 06 March 2011.

E-interview (via Skype™) with a journalist (JPM) [Goma], 26 July 2012.

E-interview (via Skype™) with a journalist and blogger (PB) [Goma], 26 February 2011.

E-interview (via Skype™) with a Political Science lecturer (VK) [Goma], 26 July 2012.

E-interview (via Skype™) with a Professor of Political Science [Kisangani], 25 July 2012.

E-interview (via Skype™) with a staff of Radio Okapi [Goma], 08 March 2011.

E-interview (via Skype™) with a youth leader (BTN) [Goma], 26 February 2011.

E-interview (via Skype™) with an official of a faith-based network (AT) [Bukavu], 28 February 2011.

E-interview (via Skype™) with an official of the *Division des Mines* Sud-Kivu [Bukavu], 07 March 2011.

E-interview (via Skype™) with human rights activist (J-BT) [Goma], 01 March 2011.

E-interview (via Skype™) with human rights activist (PM) [Bukavu], 27 February 2011.

Focus group discussions

Focus group discussion with Congolese expatriates in Durban, South Africa, 07 July 2012.

Focus group discussion with Congolese expatriates in Johannesburg, South Africa, 02 June 2012.

Focus group discussion with Congolese expatriates in Pretoria, South Africa, 09 June 2012.

Personal communication

Private/confidential communication with an officer (I) in the *Agence Nationale de Renseignements* (ANR) [National Intelligence Agency], [Kinshasa], 22 October 2010.

APPENDICES

Appendix 1

Map of the Democratic Republic of Congo

Source: One World – Nations Online (2013: i. d.)

Appendix 2

Political Map of the Democratic Republic of Congo

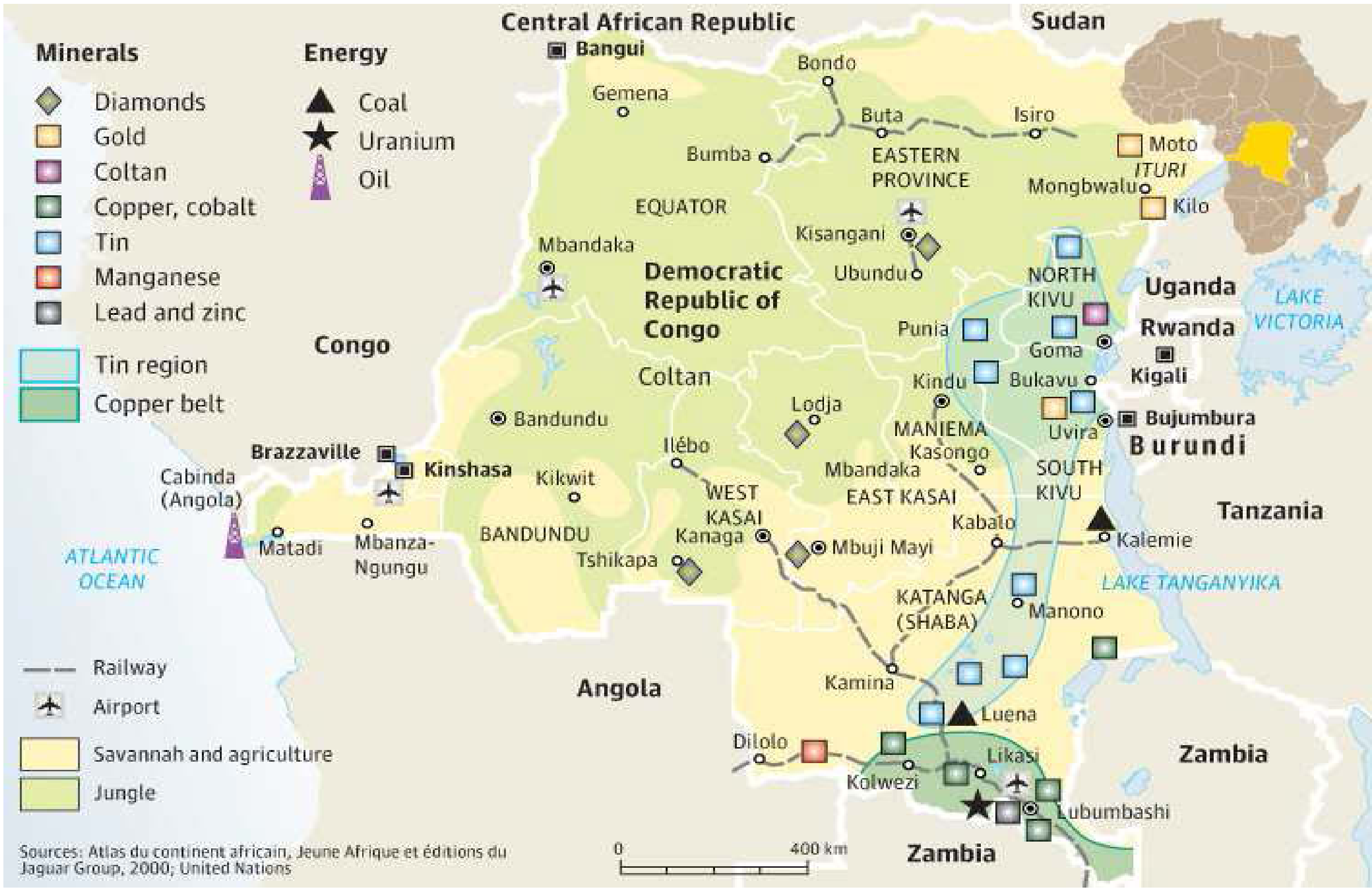
Key

S/N	Province	Capital		S/N	Province	Capital
1	Bandundu	Bandundu		**7**	Kinshasa (city-province)	Kinshasa
2	Bas-Congo	Matadi		**8**	Maniema	Kindu
3	Équateur	Mbandaka		**9**	Nord-Kivu	Goma
4	Kasai-Occidental	Kananga		**10**	Orientale	Kisangani
5	Kasai-Oriental	Mbuji-Mayi		**11**	Sud-Kivu	Bukavu
6	Katanga	Lubumbashi				

Source: Wikipedia (2013: i. d.).

Appendix 3

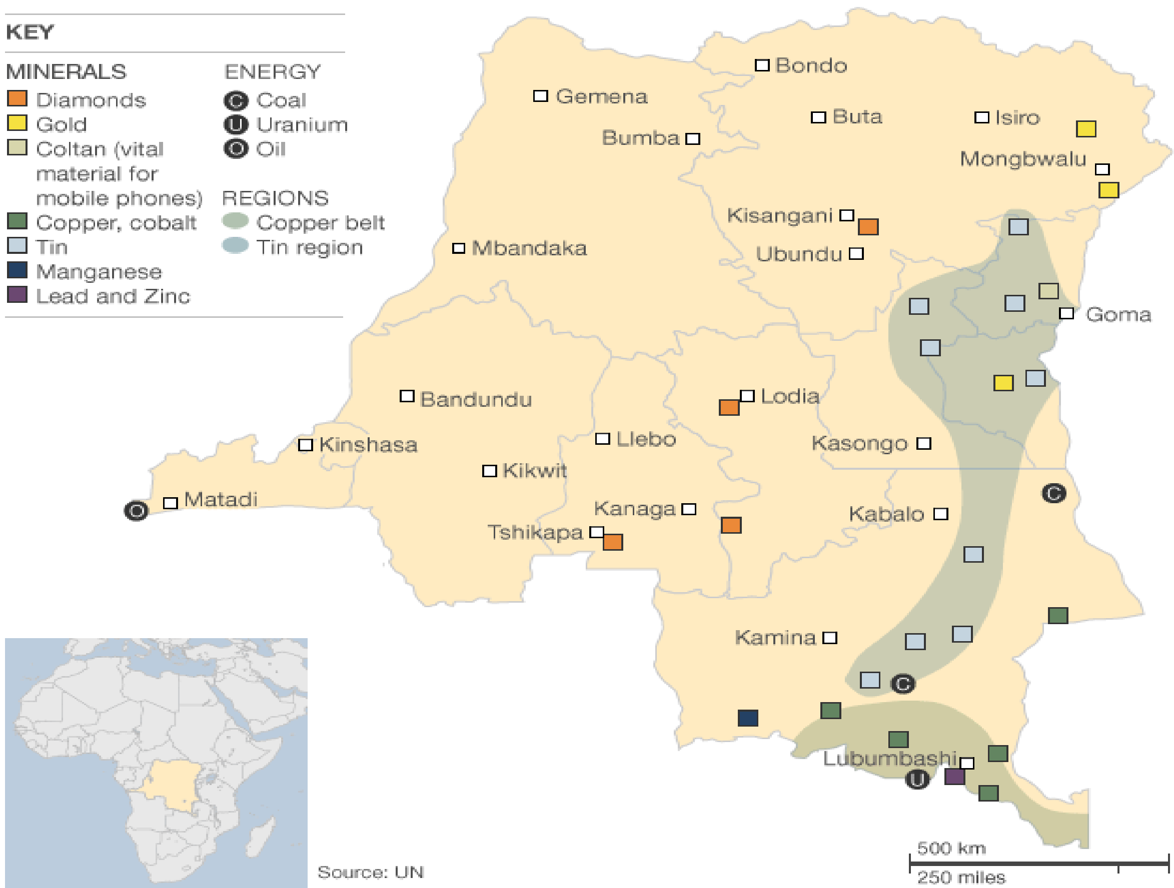
Natural resource map of the DRC



Source: Rekacewicz (2000: i. d.).

Appendix 4

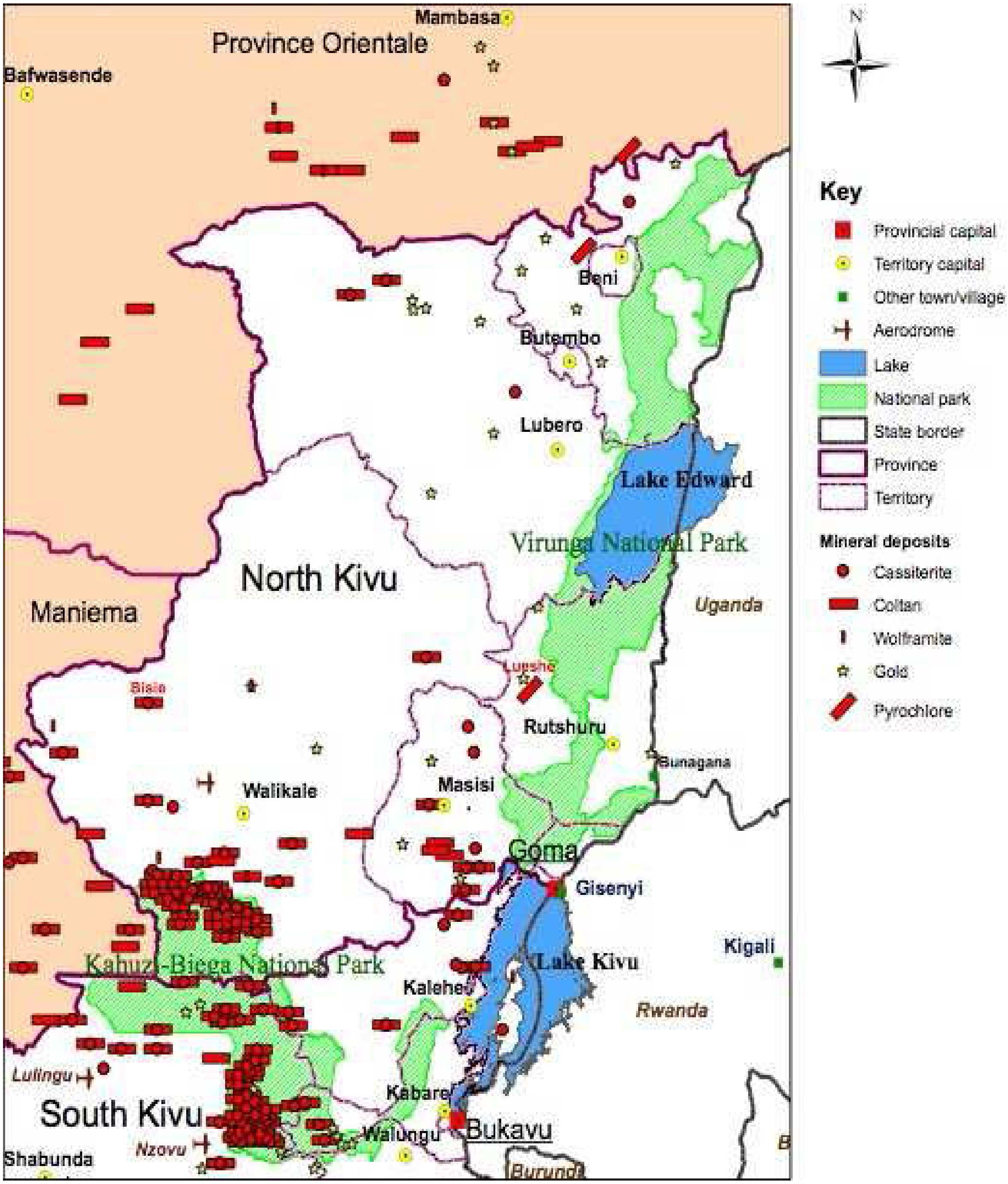
Map of the DRC showing natural resource endowment in the eastern region



Source: BBC (2012: i. d.).

Appendix 5

Map of the DRC showing *coltan* sites in the eastern region



Source: University of Vermont (2013: i. d.).

Appendix 6

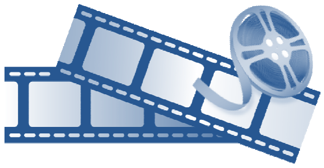
Video of accounts relating to the assassination of Laurent-Désiré Kabila

"Murder in Kishsasa"

Source: Al Jazeera English (2011).

Appendix 7

Videos on the implication of minerals in the DRC's conflicts



#1: "Conflict Minerals, Rebels and Child Soldiers in Congo"

Source: VICE (2012).

#2: "Grand Theft Congo – DRC"

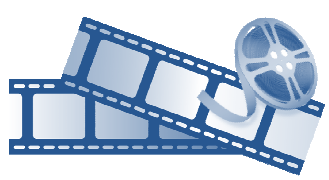
Source: Journeyman Pictures (2005).

#3: "The Real Mobile Phone Wars – DRC"

Source: Journeyman Pictures (2008).

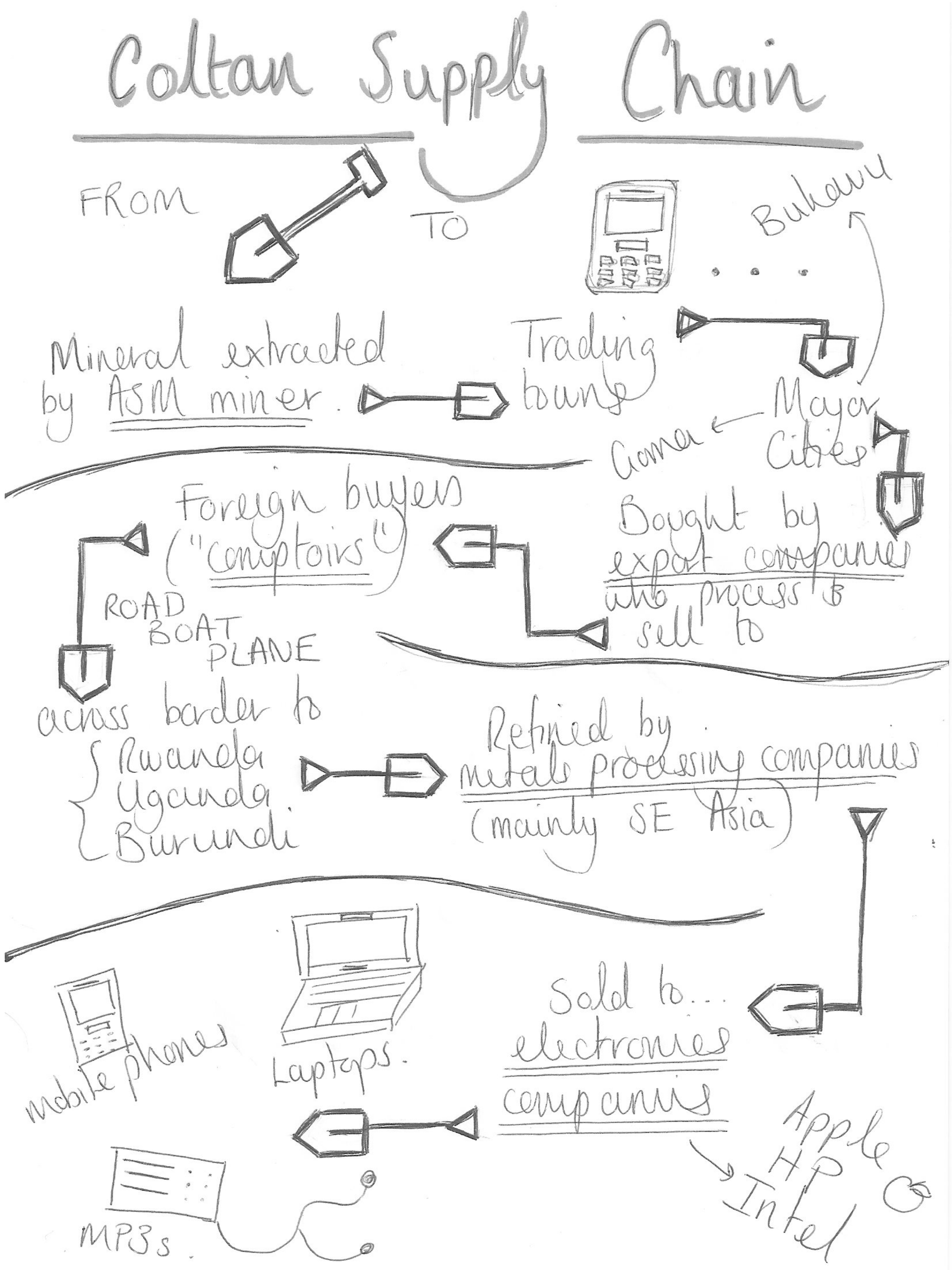
#4: "Blood Coltan"

Source: Forestier (2007).



Appendix 8

Local-global supply chain for coltan



Source: OpenOil (2012: i. d.).

Appendix 9

"Key factors in coltan exploration"

Category of actors	Identity	Interests
Armed groups/forces	Armed forces of Rwanda and Uganda and Congolese rebels	– Exportation of internal crisis. – Management of the post-genocide era. – State entrepreneurship (state is like any other mineral dealer). – Finance military campaigns and personal gain for high-ranking officers and politicians. – Serve the interest of multinational companies. – Coercive and dissuasive force for easy exploitation of coltan and other minerals. – Protection of the mine zones against other interested groups (for example, Mai-Mai). – Political and economic survival (especially Congolese rebels).
Local/regional business community	Burundian, Rwandan, Ugandan and Congolese	– Making "good money". – Self-enrichment. – Evading taxes (especially for Rwandan and Ugandan businessmen/women).
Local communities in mine zones	Coltan diggers and other local people	– Making money. – Getting back their lost land. – Offer support to Mai-Mai.
Other, including business, airlines, arms merchants	American, Canadian, Belgian, German, Kazakhstan	– Lucrative deals in the absence of government apparatus. – Access to strategic minerals to remain competitive. – Maintaining a presence in both rebel and government sides for future deals.

Source: Moyroud and Katunga (2002: 175).

Appendix 10

Anglo-American's CSR activity: refurbished Kitokimosi Health Centre, Kinshasa

Source: Anglo-American (2013b: i. d.).

Appendix 11

Banro Corporation's CSR activities

1

2

3

4

1 – Kigumo Health Clinic (South Kivu).

3 – Kama Bridge in Namoya (Maniema Province).

2 – Basketball court (Bagira community, Bukavu).

4 – Mulangane Ngweshe Primary School (South Kivu).

5

6

7

8

5 – Kibiswa Primary School (South Kivu).
7 – Reintegration of former child artisanal miners (South Kivu).

6 – Mapale Institute/High School (Lugushwa, South Kivu).
8 – Sewing class at Makalanga Women's Resources Centre (South Kivu).

Source: Banro Corporation (2013a: i. d.)